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MARCH 17, 1956

foreign trade

NADA

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CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

OTTAWA, MARCH 17, 1956, Vol. 105, No. 6

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $5.00 abroad.
Single copies: 20 cents each.
Authorized as second class mail by the Post Office Department, Ottawa.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

cover Fishermen near Shediac, N.B., weight down their lobster traps with sinkers as they prepare for the opening of the lobster season. Their 1955 catch proved to be over two million pounds larger than in 1954. For a report on all aspects of the Canadian fishing industry, please turn to page two.

HOW FISHERIES FARED IN '55

Value of Canadian fisheries exports shipped to some 80 countries decreased slightly last year, largely because of poor sockeye salmon run. Demand for all types of fisheries products in new marketing year, beginning July first, should be strong.

T. R. KINSELLA, *Agriculture and Fisheries Branch.*

DESPITE INCREASED EXPORTS of fresh and frozen groundfish fillets and blocks (cod and related species) and shellfish during 1955, the value of overall shipments of Canadian fisheries products abroad was about 3 per cent less than in 1954. Much smaller exports of canned salmon were mainly responsible for the drop in value to $128,843,000, compared with $132,740,000 in the previous year. Exports of fish went to some 80 countries.

Landings of Canadian fish in 1955 totalled 1·7 billion pounds compared with 1·9 billion in 1954. A major disappointment was experienced when the sockeye run was below expectations. The total catch of all Pacific salmon reached only 492·7 million pounds, down from 599 million pounds in 1954. The popular sockeye run totalled less than 17 million pounds, as against nearly 47 million pounds in the previous year. A lower catch of Atlantic cod was also indicated. On the bright side were the larger landings of lobster: returns for the calendar year 1955 show that Atlantic coast lobster fishermen caught almost 49 million pounds as against 46 million in 1954.

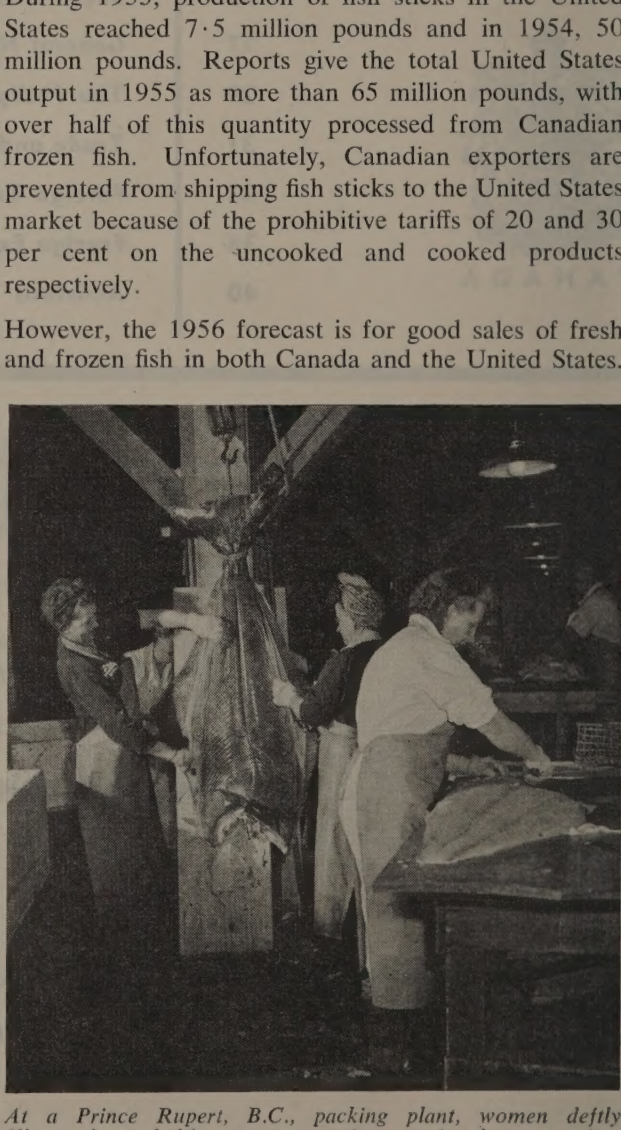
Canadian exporters from the Pacific coast to Newfoundland face a strong demand for their various fisheries products at the outset of the new marketing year. Stocks of canned salmon and sardines have dwindled, and some types of salt fish may also be in short supply before the opening of the 1956-57 marketing year on July first.

Fresh and Frozen Fish

A glance at the statistics in Table II shows little change in the overall pattern of Canadian exports of fresh and frozen fish during the past five years. However, there has been a noticeable shift in Newfoundland from the production of salted groundfish to the fresh and frozen forms. Increased orders from the United States for frozen groundfish blocks or slabs for the manufacture of fish sticks (cooked or uncooked) continued in 1955. The fishing industry, ever ready to keep abreast of consumer preferences in the frozen food field, was quick to note the popularity and the convenience appeal of fish sticks and portions. Sales have also increased in the Canadian domestic market.

During 1953, production of fish sticks in the United States reached 7·5 million pounds and in 1954, 50 million pounds. Reports give the total United States output in 1955 as more than 65 million pounds, with over half of this quantity processed from Canadian frozen fish. Unfortunately, Canadian exporters are prevented from shipping fish sticks to the United States market because of the prohibitive tariffs of 20 and 30 per cent on the uncooked and cooked products respectively.

However, the 1956 forecast is for good sales of fresh and frozen fish in both Canada and the United States.



At a Prince Rupert, B.C., packing plant, women deftly fillet a large halibut as one main step in the processing.

Total stocks of frozen fish in both countries are considerably lower at the present time than at the corresponding date last year.

Salted Fish

The production of salted cod in Canada was down in 1955, particularly in Newfoundland, where the output of light salted hard dried cod was some 20 million pounds less. Supplies were in demand in all traditional outlets other than Brazil. Puerto Rico, Jamaica, and Cuba were the largest markets, and trade agreements signed with Portugal and Spain in 1954 provided for exports of Canadian salt cod to these countries.

Arrangements were also made for sales to Italy of considerable quantities of salt cod from Canada. Before the war, exporters of salt cod in Newfoundland used to ship up to 60 per cent of their production to European markets. However, increased catches by the Portuguese, Spanish, and French fishing fleets in recent years have reduced the need for large supplies from Canada. Brazil was an important market for Canadian salt cod but in 1955 purchased its needs from soft currency sources. Canadian exporters could not compete with European producers because of the existing high agio or premium on the United States dollar in comparison with, for example, Norwegian currency.

The preference for Canadian salt fish—including pickled herring, mackerel, alewives and smoked herring bloaters—in countries in the Caribbean area was quite apparent. Shipments to the British West Indies were made without restriction. In view of the comparatively light world stock position of salt fish at the end of 1955, prospects for the 1956-57 period appear good.

Canned Fish and Shellfish

The 1955 British Columbia canned salmon pack reached only 1·4 million cases in comparison with 1·7 million cases in 1954. A greatly reduced sockeye pack of 245 thousand cases, compared with 681 thousand cases in the previous year, resulted in an extremely keen demand for this variety of salmon. However, the pink run was very successful; 831 thousand cases were packed as against 336 thousand in 1954.

The 1955 United Kingdom allocation for imports of canned salmon from North America was £3 million, an increase of £500 thousand over the 1954 allotment. There were no restrictions on imports of canned salmon into the British Caribbean colonies or New Zealand. In addition, Italy and Australia established dollar allocations for imports of canned salmon from

Table I

Canadian Exports of Fisheries Products, by Forms, 1951-55

(total value in millions of dollars)

	1951	1952	1953	1954	1955
ALL FISH PRODUCTS	124·60	117·21	114·39	132·65	128·84
FRESH AND FROZEN	66·27	67·92	66·63	71·95	73·52
Whole or dressed	33·02	31·95	29·83	29·98	26·21
Filleted	20·34	20·90	21·39	26·67	29·05
Shellfish (in shell and meat)	12·91	15·07	15·41	15·30	18·26
CURED	27·58	25·54	22·27	23·34	23·94
Smoked	1·93	2·00	1·32	1·63	1·41
Bloaters and kippers	1·17	1·29	·88	1·20	0·95
All other	·76	·71	·44	·43	0·46
Salted and Dried	21·60	19·66	17·43	18·29	19·11
Cod	19·50	17·72	15·32	16·33	17·23
All other	2·10	1·94	2·11	1·96	1·88
Pickled	4·05	3·88	3·52	3·42	3·42
Herring	1·98	1·79	1·73	1·56	1·69
All other	2·07	2·09	1·79	1·86	1·73
CANNED FISH AND SHELLFISH	16·22	13·99	18·38	27·84	20·20
Salmon	11·56	8·14	14·65	23·97	16·24
Sardines	1·77	3·07	1·40	1·59	1·67
Lobster	2·21	2·35	1·97	1·92	1·84
All other	0·68	0·43	0·36	0·36	0·45
MISCELLANEOUS	14·53	9·76	7·11	9·52	11·18
Meal	5·58	4·11	2·12	4·56	5·67
Oil	5·51	3·02	2·16	1·65	2·21
All other	3·44	2·63	2·83	3·31	3·30

Table II

Canadian Exports of Fisheries Products, by Countries, 1951-55

	1951		1952		1953		1954		1955	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
ALL AREAS	124,600	100·0	117,206	100·0	114,389	100·0	132,651	100·0	128,843	100·0
UNITED STATES	85,235	68·4	87,881	75·0	83,339	72·9	90,072	67·9	91,975	71·4
TOTAL BRITISH CARIBBEAN	4,478	3·6	5,131	4·4	5,841	5·1	−6,652	5·0	6,822	5·3
Jamaica	2,537	2·0	2,599	2·2	3,309	2·9	3,708	2·8	3,736	2·9
Barbados	503	0·4	412	0·4	428	0·4	506	0·4	426	0·3
Leeward and Windward Islands	593	0·5	653	0·6	681	0·6	716	0·5	800	0·6
Trinidad and Tobago	372	0·3	1,071	0·9	1,001	0·9	1,162	0·9	1,271	1·0
Other British Caribbean	473	0·4	396	0·3	422	0·3	560	0·4	589	0·5
TOTAL NON-BRITISH CARIBBEAN	11,226	9·0	11,879	10·1	9,702	8·5	9,304	7·0	10,349	8·0
Puerto Rico	4,954	4·0	4,747	4·0	3,784	3·3	2,909	2·2	4,425	3·4
Cuba	2,647	2·1	2,917	2·5	2,052	1·8	2,298	1·7	2,169	1·7
Dominican Republic	1,500	1·2	1,710	1·5	1,633	1·4	1,696	1·3	1,490	1·2
Haiti	1,169	0·9	1,450	1·2	1,068	0·9	1,377	1·0	894	0·7
Other Caribbean	956	0·8	1,055	0·9	1,165	1·1	1,024	0·8	1,371	1·0
TOTAL EUROPE	19,757	15·9	9,094	7·8	13,673	11·9	21,250	16·0	14,829	11·5
United Kingdom	8,801	7·1	1,312	1·1	5,248	4·6	12,005	9·1	5,783	4·5
Belgium and Luxembourg	2,550	2·1	2,577	2·2	2,643	2·3	2,559	1·9	2,069	1·6
Portugal	2,039	1·6	788	0·7	593	0·5	530	0·4	734	0·6
Italy	3,732	3·0	2,666	2·3	2,088	1·8	2,643	2·0	2,534	1·9
Netherlands	1,039	0·8	736	0·6	950	0·8	1,123	0·8	1,558	1·2
Other Europe	1,596	1·3	1,015	0·9	2,151	1·9	2,390	1·8	2,151	1·7
TOTAL ALL OTHER COUNTRIES	3,904	3·1	3,221	2·7	1,834	1·6	5,372	4·1	4,868	3·8
Other Commonwealth	1,510	1·2	994	0·8	675	0·6	2,475	1·9	3,890	3·0
Brazil	900	0·7	497	0·4	72	0·1	1,550	1·2	35	$
Belgian Congo	203	0·2	608	0·5	71	$	12	$	77	0·1
Taiwan (China)	166	0·1	383	0·3	472	0·4	158	0·1	80	0·1
Philippine Islands	658	0·5	158	0·1	72	0·1	188	0·1	298	0·2
All Other Countries	467	0·4	581	0·6	472	0·4	989	0·8	488	0·4
TOTAL COMMONWEALTH COUNTRIES	14,789	11·9	7,437	6·3	11,764	10·3	21,132	15·9	16,495	12·8

$ Less than half of one per cent.

Canada and South Africa—another important outlet—permitted imports under quota. Belgium, the Netherlands, and the United States also bought considerable quantities.

The summer run of sardines in the Bay of Fundy area was very disappointing and the catch totalled only about 30 per cent of the 1954 figure. Supplies were in firm demand in many markets around the world. Jamaica and other colonies in the British Caribbean, South Africa, Cuba, Panama, Dominican Republic, New Zealand, and the Belgian Congo were the principal outlets.

The import of canned lobster into Great Britain was again provided for under the United Kingdom Token Import Scheme, and limited quantities were also shipped to Sweden, West Germany, Belgium, and the Netherlands. Lobster was sought by United States importers in fresh, frozen and canned form. The value of exports of shellfish in 1955 (including lobster, clams, and other shellfish) exceeded $20 million.

By-Products

Fish meal from both the Atlantic and Pacific coasts, fish oils, seaweeds, and other by-products of the Canadian fisheries found ready outlets in the United States. The United Kingdom and Venezuela purchased important quantities of fish meal and, in addition to the United States, the Netherlands bought considerable supplies of Canadian fish and marine mammal oils.

Quality continues to occupy the attention of the Canadian fishing industry, and officials in the Department of Fisheries, in co-operation with the trade, maintain a constant study of fish from the time it leaves the sea until it reaches the market. Among other things, they sail aboard fishing vessels to offer advice and to try out new procedures in the handling and storing of fish in the vessels. During the past year they have trained officers in the inspection of fresh fish as it is landed and after it has been processed for shipping.

Imports

There is a relatively small but nevertheless important market in Canada for the specialty fisheries products of other countries. During the first eleven months of 1955, the value of imports from all sources reached $11,101,611 compared with $9,653,239 in the same period in 1954—an increase of about 15 per cent. These imports came from some 26 fish-producing countries and major items included canned shellfish from the United States, sardines from Norway, and tuna from Japan.

Fisheries Exhibits

With a view to keeping foreign purchasers aware of the various kinds and types of Canadian fisheries products available for export, it is the policy of the Department to show these products in international trade fairs held in important markets. Dried, salted, and canned fish are currently being exhibited in Ciudad Trujillo, to bring Canada's quality products to the attention of consumers not only in the Dominican Republic but also in other large outlets in the Caribbean area. Reports from the attendant in charge indicate considerable interest and a number of trade inquiries have been received about possible sources of supply.

In addition, steps have been taken to feature fisheries products in the Foods Display in current trade fairs in Brussels, Milan, and Lausanne. The Department of Trade and Commerce is sponsoring overall exhibits, but at Brussels the trade has also been invited to participate by having their Belgian agents provide samples of the kinds and types of fish put up by their Canadian principals.

Last November the fourth annual Canadian Fisheries Display was held in the Canadian Showroom in Rockefeller Centre, New York City. It was the largest exhibit since the inception of the Showroom, with some 40 Canadian exporters of fisheries products from coast to coast taking part. The display was aimed not only at the United States importers and consumers, but also at representatives of foreign governments located in the New York area. The month-long exhibit drew a record attendance.●

Mozambique in 1955

TRADITIONALLY, Mozambique's trade is unbalanced and characterized by a visible deficit, the result of the excess of imports of consumer goods and industrial equipment over exports of raw materials. The country's finances are sound because of its invisible exports which include: (*a*) Port, harbour and transit dues and rail freight on both imported and exported cargoes originating in or destined for the interior, including the Transvaal, the Federation of Rhodesia and Nyasaland, and the eastern Belgian Congo. (Statistically, the value of such transit cargo exceeds that of domestic imports and exports by better than 350 per cent.) (*b*) Remittances by some 200 thousand natives who are employed in the Federation and South Africa, and (*c*) a substantial income from tourists. Mozambique has adequate supplies of sterling and South African pounds and, because it is an overseas province of Portugal, is a member of EPU.

In 1955, Mozambique's imports from dollar sources did not include any consumer goods. Dollar imports are now limited to motor cars and capital equipment as provided for in the six-year development program. Today, literally no dollar funds are available for consumer goods.

Imports for the calendar year 1954 amounted to 584,013 tons valued at 2,567,516 contos ($92·4 million). Principal supplying countries were: Portugal 27·5 per cent, United Kingdom 17·5 per cent, United States 17·1 per cent, South Africa 11·3 per cent, West Germany 7·0 per cent, and other countries 19·6 per cent.

Exports during 1954 totalled 513,342 tons valued at 1,718,753 contos ($61·9 million), and consisted principally of raw cotton, copra, cashew nuts, tea, sugar, sisal, timber, copra oil, oilseed husks, and rice. Countries of destination were: Portugal 39·3 per cent, South Africa 13·4 per cent, United Kingdom 8·6 per cent, India 8·5 per cent, United States 5·5 per cent, West Germany 3·1 per cent, and other countries 21·6 per cent.

Canadian exports to Mozambique in the first nine months of 1955, according to Canadian statistics, totalled $1,374,425 ($1,877,122 during the same period of 1954). Leading commodities were: lumber approximately $1 million, wheat $132 thousand, motor cars and parts $96,000, newsprint $40,000, asbestos fibre $24,000 and primary aluminum $13,000.

—K. F. NOBLE,
Trade Commissioner, Johannesburg.

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Documentation in Export Trade

What documents must accompany an export shipment when it leaves Canada and what are the purposes of them? This article, number three in our series on export trade, answers these questions for the guidance of the inexperienced exporter.

H. V. JARRETT,
International Trade Relations Branch.

AN EXPORT SHIPMENT when it leaves Canada must be accompanied by certain documents in order to fulfil the customs requirements of the importing country. The authorities of the importing country may require documents of a specified kind, processed in a particular way, for a variety of reasons. When the exporter is confronted with an imposing and complex form to be filled in, he should remember that this form and each blank space in it serves some purpose.

The main use of Customs documents is to provide the importer with a complete and specific description of the goods so that he can have them correctly assessed for duty purposes. The documents may also be necessary for the administration of exchange control regulations and quota restrictions in force in the importing country, and for statistical purposes. Careful attention to every detail in completing them means that the goods can be cleared through the Customs with the least possible delay and fines and other unpleasant consequences avoided.

The documents most frequently encountered in export trade include the following:

Consular invoice
Commercial invoice
Certificate of origin
Certificate of value
Ocean bill of lading

Other documents that the exporter may have to provide are:

Packing list
Health certificate
Import licence

• Consular Invoice

The consular invoice, when the importing country requires it, is the most exacting document an exporter is likely to meet and it must be prepared meticulously. It is most generally needed in Latin America but a few other countries also require it. It consists of a form calling for a detailed description of the goods, with spaces for showing marks, numbers, weights (usually in the metric system), value and origin of the goods, and a declaration about the correctness of the contents of the invoice. The forms can usually be obtained only from the Consul of the importing country and must be submitted to him for legalization (hence the name). In some cases, commercial stationers stock these forms for sale to exporters. The consular invoice is frequently in the language of the importing country and must be completed in that language. It must contain no errors, either in typing or data. No erasures or strike-overs in typing are permitted nor any pen-and-ink changes or additions. In some countries the goods must be described in terms of the tariff of the importing country and the number of the tariff item shown. In such cases, the agent will furnish the required description and it must be used exactly as given. Errors or other deviations, even if unintentional, often lead to a fine. The responsibility for paying the fine rests with the importer, but if the fault is with the exporter, the importer will invariably deduct the amount of the fine from the remittance or request the exporter to allow for it.

• Commercial Invoice

The commercial invoice is usually supplied on the exporter's own form but the content must comply with the requirements of the importing country. In some countries, particularly those of the Commonwealth, the commercial invoice must be prepared on a special form prescribed by the Customs authorities of the importing countries. Such forms—sometimes referred to as Customs invoices—can usually be obtained from commercial stationers. Countries which require a consular invoice also require a commercial invoice, which serves to support and confirm the information given in the consular invoice. In other countries, it serves the same purpose as the consular invoice—that is, giving the importer the necessary information to clear the goods through the Customs.

• Certificate of Origin

The main purpose of this document is to establish the right of the goods to preferential or conventional duties

to which the importer may be entitled. They are thus required for Canadian goods in many parts of the British Commonwealth. In the few cases where a certificate of origin is required in other than Commonwealth countries, consular legalization is usually demanded, and in some, certification by a Chamber of Commerce or other similar organization.

• Certificate of Value

Values shown in an invoice frequently have to be confirmed by a certificate of value signed by the exporter stating that the invoice contains a true and full statement of the price paid for the goods and that there is no other understanding between the exporter and the buyer about the purchase price. A declaration of this kind is usually included in consular invoices and frequently added to commercial invoices. Forms of invoice prescribed for shipments to most countries of the British Commonwealth incorporate a certificate of value. In some cases, the value of the goods must be certified by a Chamber of Commerce or similar organization.

• Ocean Bill of Lading

The Customs regulations of most countries specify the number of copies, either negotiable or non-negotiable, of the ocean bill of lading that must be supplied for Customs purposes.

A bill of lading may either be a straight or an order bill. A straight bill of lading is made out to a specifically named consignee and is a non-negotiable document by which the steamship company acknowledges receipt of freight and contracts to move it. With such bills of lading it is possible for the consignee, holding the arrival notice, to obtain possession of the goods without the surrender of the original bill of lading.

An order bill of lading is made out by the steamship company to the order of the shipper; the title to the goods is given by possession of the bill bearing the shipper's endorsement. In many cases the endorsement is in blank, thus vesting the title in the bearer of the bill and making it a highly negotiable document. In arranging for collection or acceptance of the draft, the shipper, in addition to turning over to the bank or agent the two or more negotiable copies of the bill of lading together with essential documents, will give specific instructions on the conditions under which the shipping documents are to be transferred to the buyer of the shipment. While order bills of lading are in common use, certain Latin American countries (such as Venezuela, Colombia, Ecuador and Brazil) either prohibit or make the use of order bills of lading sufficiently difficult to make the use of a straight bill of lading either necessary or advisable. Consequently the customer or agent should always inquire about the type of bill of lading which is acceptable to the country concerned.

Where to-order bills of lading cannot be used, it is well for the shipper to satisfy himself about the financial status and reliability of his customer or the broker to whom the goods are consigned, or protect himself against any possible financial loss.

Two or three negotiable or signed bills of lading are usually issued by the steamship company, plus as many more non-negotiable copies as may be required. These are clearly marked non-negotiable. Where these bills have to be presented in duplicate or triplicate at foreign Customs, it is usual to supply one negotiable copy with each set of documents, plus as many non-negotiable copies of the bill of lading as are needed.

As a negotiable bill of lading and relative documents are required by the consignee to clear the shipment, documents should be forwarded either by the same steamer that carries the merchandise or by mail in advance. Failure to produce the necessary clearance papers when the merchandise arrives may lead to severe penalties or excessive storage charges.

To avoid any possibility of loss in transit it is usual to forward two complete sets of documents, each with a negotiable bill of lading, in successive mails, to the consignee or to the bank or agent which is to hold this document for collection. The third negotiable bill of lading is usually retained by the shipper or bank in case of emergency.

Where the shipper's draft is negotiable through the bank or the bank is required to act as collector for the shipper, it is necessary that all negotiable copies be turned over to it so that it may have complete control of the shipment.

Bills of lading made out to order generally bear instructions to the steamship company to notify the consignee upon arrival of goods at the port of discharge.

An ocean bill of lading may be either a direct bill of lading or a through bill of lading. The distinction between the two is that the *direct bill of lading* covers shipment between direct ports of loading and discharge of the initial carrier concerned. *Through bills of lading* cover shipments from or to ports by more than one steamship line. The initial carrier transports the goods to a port of transhipment, where they are transferred to another steamship line for on-carriage to the port of ultimate destination.

• Packing List

This form is not generally prescribed by the Customs laws of importing countries. However, it is used to supplement the commercial invoice when numerous

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units of the same product are being shipped, or when the quantities, weights or contents of the cases may vary. The list is made out according to the number of the package and the details of the weight, measurement and contents of each are shown. It often includes the outside dimension of each case and the total cubic content and total weight of the shipment.

• Health Certificate

The regulations of many countries call for a certificate of health or sanitary certificate when animals, animal products and plant products are shipped. This is to ensure that the goods shipped are free from disease and insect pests, or in the case of food products, that they have been prepared in accordance with prescribed standards. These certificates are usually issued by the competent government authority in the exporting country. In Canada, the Department of Agriculture, or for processed food products the Department of National Health and Welfare, provides this document. When the shipping documents require consular legalization, this health certificate must be included with the documents submitted to the Consul.

• Import Licence

Many countries require the importer to obtain an import licence before placing his order abroad. Some, including most Latin American countries in which licences are required, specify that a copy of the import licence must accompany the shipping documents when these are presented to the Consul for legalization. In such cases the overseas customer will, of course, supply the exporter with the necessary document. Even when the exporter does not demand a copy of the licence he should always make sure that his customer has complied with the licensing requirements of the importing country before he ships the goods.

• Combined Documents

Many countries will accept documents which combine the features of the various ones described above. For example, shipments to many Commonwealth countries may be covered by a commercial invoice on a prescribed form, the back of which carries a certificate of origin and of value. A declaration of origin may also be incorporated in the consular invoice form. A commercial invoice may be converted into a consular invoice by requiring it to be legalized by the Consul.

Canadian Export Forms

The only documentation which the Canadian Government normally requires for exports from this country is the Customs export entry form B.13 and, in certain cases—depending upon the kind of goods or the country of destination—an export permit.

The export entry may be obtained at local Customs offices and is used mainly for statistical purposes. It requires a description of the goods, the quantity, value and destination, and whether they originate in Canada or are goods of foreign origin being re-exported.

An export permit is required for all goods intended to be shipped to any destination listed in an Area Control List established under the Export-Import Permits Act. Certain goods enumerated in an Export Control List, also established under authority of the Export-Import Permits Act, need a permit when shipped to any destination. This, however, does not apply generally to exports to the United States. Applications for export permits and information about the rules governing their use may be obtained at Customs offices or direct from the Department of Trade and Commerce.

A second article on documentation, summarizing the requirements of each of the major geographic areas, will appear in a subsequent issue of "Foreign Trade".

Imports of Samples and Advertising Materials

An International Convention designed to reduce the costs and delays in sending samples and advertising materials from one country to another came into force late last year after the receipt of 15 accessions. The International Convention to facilitate the import of commercial samples and advertising material was drawn up by the Contracting Parties to the General Agreement on Tariffs and Trade in November 1952, and opened for signature in February 1953. Its object is to relieve some of the difficulties faced by traders and merchants in importing samples and advertising materials from abroad. So far the following countries have acceded to the Convention: Denmark, Egypt, Finland, Federal Republic of Germany, Greece, India, Indonesia, Japan, Netherlands, Norway, Pakistan, Spain, Sweden, Switzerland, United Kingdom.

Countries which join the Convention undertake between them, (a) to allow samples of small value to be imported duty-free; (b) to allow samples of value to be imported duty-free on a temporary basis, subject to deposit or security being given; (c) to allow specified types of advertising material, including advertising films, to be imported duty-free; (d) to exempt samples and advertising materials, with specified exceptions, from prohibitions and quota restrictions.

fairs and exhibitions

Canadian Displays at French North African Fairs

THE GOVERNMENTS of French Morocco, Algeria and Tunisia will shortly announce the opening of dollar allocations for 1956 under which import licences will be granted for Canadian goods displayed at the following trade fairs:

Casablanca	April 21-May 6
Algiers	April 27-May 13
Oran	Date not yet announced
Tunis	October 13-28

This scheme is similar to the one which was in operation in these territories last year, and to the trade fair quota schemes in France (see *Foreign Trade,* February 18, page 11). These trade fair dollar allocations in the three North African territories entitle importers to apply for import licences on the basis of a certain allowance per square metre of exhibit space at the fairs listed above, which the exhibitor devotes to the display of Canadian goods.

To benefit from this quota scheme, Canadian exporters will require the services of a local agent or importer to arrange for the exhibition of the goods and look after the import licence formalities. Inquiries about this procedure should be addressed to the Commercial Counsellor for Canada, 3 rue Scribe, Paris 9e.

Canada—Guest of Honour at Lausanne

EACH YEAR, one foreign country is invited to exhibit in a special pavilion at Switzerland's entirely national fair, the Comptoir Suisse, held in Lausanne. This year, the 37th Comptoir Suisse (September 8-22) has invited Canada to be its guest. The invitation has been accepted and the Canadian Government Exhibition Commission is now designing the exhibits. These will include representative products selected from the whole range of Canadian exports to Switzerland, displayed against a background illustrating the natural resources and industrial development which make their production possible.

A special pavilion is set aside at the Swiss Fair for the guest country. This foreign pavilion is elevated above the main entrance to the fair grounds, and thus Canada's exhibit will be seen by visitors both entering and leaving the fair. The main floor of the building provides 7,554 square feet of floor space and a mezzanine above one end adds another 947 square feet.

Entering the pavilion, the visitor will see first an arrangement of photographs and colour transparencies designed to illustrate the Canadian way of life, our culture and our form of government. Canada's industrial growth will be featured in one section where electronic, transportation and communications, and machine tool equipment will be arranged before a map of the country. There will be several working models of machines in this section.

Hockey equipment, boats, canoes and outboard motors, ski outfits, knitted caps and gloves, and bathing suits are some of the products planned for the sportswear and equipment section. Leather will be represented by tanned hides and skins and there will be a display of famed Canadian furs. A uniquely Canadian atmosphere will be provided by the handicrafts display of ceramics, jewellery and Indian and Eskimo carvings.

Other Canadian products chosen for the exhibition are: cereals and processed foods; paper and transparent cellulose film; electric stoves, washers, home freezers and floor polishers; metals and chemicals; books; yarns, fabrics and afternoon dresses.

A theatre on the fair grounds will be at Canada's disposal for the whole of "Canada Day" and for certain hours on all other days for the purpose of showing representative cultural, travel and industrial films.

Hannover Presents Industry

FAR TOO LONG to print here, the list of products which will be displayed at the 1956 German Industries Fair is staggering. Nearly 80 per cent of all German exports are produced by the industries which will be exhibiting at Hannover from April 29 to May 8.

The Industries Fair, its sponsors promise, will keep you abreast of constructive developments, technical progress and production processes successfully employed by 4,000 European and overseas manufacturers in the following fields: mechanical engineering, electrical engineering, chemicals, rubber, optical and pre-

cision instruments, iron and steel, tools, the entire office equipment range, and consumer goods such as china, glass, jewellery, silverware, hardware, cutlery and watches.

The fair is open daily, including Sunday, from 9 A.M. to 6 P.M. For details, contact The Trimont Corporation Ltd., 1170 Drummond Street, P.O. Box 25, Station H, Montreal.

Hardware and Housewares in the Showroom

TOOLS AND TEAPOTS, shovels and silverware, cabinet hardware and cooking moulds—these are a few of the 40 products of 27 Canadian hardware and houseware companies now on display in the Canadian Showroom in Rockefeller Center. This is the first time that hardware and housewares have been featured in the Showroom; the exhibit will continue to April 6.

Many of the articles in this display are winners of the Design Award of the National Industrial Design Committee. Among the housewares, buyers visiting the display will see a fully automatic electric tea maker; a newly patented machine that sands, scrubs, waxes, polishes, buffs and has a multitude of other uses, including grinding, troweling and finishing terrazzo and cement; camping utensils; stainless steel cutlery; adjustable metal ironing boards; electric make-up and shaving mirrors, and polyethylene pails.

For the home, the hardware producers are showing chrome bathroom fittings and fixtures and cabinet hardware, stainless steel sinks, and bench and woodworking tools. For the garden, they have folding wire fences, electric grass and hedge trimmers, shears, and electric lawn mowers.

Part of the display at the exhibit of Canadian building materials seen at the Rockefeller Center Showroom in January and February and well received by visitors.

British Industries Fair in 1956

THE FIRST PART of the British Industries Fair closed on March 2 at Earls Court; the second part opens on April 23 at Olympia and Castle Bromwich and runs to May 4.

Exhibits at Earls Court in London included baby carriages, brushware, chemists' supplies, fancy and leather goods, jewellery, cutlery, silverware, watches and clocks, stationery and printing paper, pottery and glassware, toys and games, and general services. The British Toy Fair was held at Earls Court at the same time.

At Olympia (London) in April the business visitor will find chemicals, industrial and domestic electrical plant and equipment, office machinery and equipment, packaging and printing machinery, plastics, and scientific, optical and medical instruments. At the same time, Castle Bromwich in Birmingham will be showing the products of the hardware, building and heating, and engineering industries.

For information about the B.I.F., write to the United Kingdom Trade Commissioners in Ottawa, Edmonton, Halifax, Montreal, Toronto, Vancouver, or Winnipeg.

Largest in the East

ELEVEN AND A HALF MILES OF WALKING faced the diligent visitor who was determined to see everything at the East's largest fair, the Indian Industries Fair. This fair, which ran from October 29, 1955, to January 1, 1956, covered 73 acres and compared in size with the Milan Fair. Nineteen foreign countries set up displays in the one million square feet of exhibition space. Indian Government exhibits covered aviation, shipbuilding, telephones, fertilizers, steel, electricity and hydro-electric projects. Working models of the Bhakra-Nangal and Hirakud projects were set up on an artificial lake in the middle of the fair grounds.

Huge crowds surrounded the exhibits of the Indian Standards Institution, the All-India Handicrafts Board, the Handloom Board, the Coir Board and the National Small-Scale Industries Board, where artisans demonstrated both their traditional crafts and new techniques.

Displays by private Indian industry included iron and steel, locomotives, engineering equipment, machine tools, diesel trucks, paper, acetate yarn, cotton and woollen textiles, jute and flax products, radios, sugar, chemicals and pharmaceuticals, and tea and coffee.●

Drought Reduces Spanish Crops

Because Spain relies on agricultural exports to earn most of its foreign exchange, lower yields from 1955 crops mean that imports for her growing industries must be cut. Foreign grain may be needed later this year.

BRUCE I. RANKIN, *Commercial Secretary, Madrid.*

SPAIN'S 1955 CROP YIELDS, with few exceptions, are below average or just average because of the persistent drought which followed the sudden end of the rains in early spring and seriously affected the most important agricultural zones. Stormy weather in July and August, although it brought rain, did more harm than good because it was accompanied by heavy hail and strong winds. Pastures also have been gravely affected, especially in the mountainous northern regions.

In an essentially agricultural economy like Spain's, poor crops affect both the national income and the balance of trade and payments. Spain looks to her agricultural exports to earn foreign exchange, and a poor or even average crop year means that reserves of foreign exchange must be used to meet the country's minimum food requirements.

Currently, Spain's foreign exchange reserves are relatively good, and if 1955 had been a good crop year some liberalization in imports might have been expected. The growing industrialization of the country brings a greater need for overseas supplies, but the rate of imports for industry will be slowed down because of the smaller foreign exchange earnings from agricultural exports.

Harvest Story, 1955

A brief survey of the major crops and their yields in 1955 follows:

- *Grain*—The wheat, barley and oats crops were all far below 1954's bumper yields; wheat will not exceed 3·5 million tons and barley 1·2 million tons. This is a drop for both these crops of about one million tons below yields in 1954.

- *Nuts*—The almond and hazel nut crops were below normal, almonds by approximately 12 per cent and hazel nuts by 18 per cent. These two are important cash crops and good dollar earners.

- *Wine*—Lack of rain affected the wine industry too, and in some important areas vineyards will have to be replanted.

- *Olives*—The 1955 olive crop was poor and is expected to produce little more than 290 thousand tons of oil. This means that it will again be necessary to import vegetable oils for home consumption in order to keep up exports of olive oil.

- *Citrus Fruit*—Heavy blossoms on the citrus fruit trees gave hope of a large crop, but the drought caused the flowers and very young fruit to drop and also provided the right conditions for several varieties of fruit pests. Nevertheless, fruit groves appear to be in better condition than was anticipated and a preliminary estimate puts the crop at two million tons of all varieties.

- *Rice*—Rice growers are more optimistic; they anticipate a harvest of 400 thousand tons. The area devoted to rice cultivation has grown to the point where there is an export surplus of approximately 100 thousand tons, difficult to sell abroad at good prices. In 1954, special systems of barter or compensation deals were needed to dispose of the crop.

Prospects for Grain Imports

It is unlikely that Spain will need to import grain before the late spring of 1956 because more than 700 thousand tons of wheat and 50,000 tons of barley were imported in 1953-54, and there was a carry-over from the exceptional yield in 1954 of 4·5 million tons of wheat and 2·1 million tons of barley. Whether Spain will have to import grain (say about 500 thousand tons) during the latter part of this year will depend on the condition of the crops this spring. The good early rains last autumn provided ideal ploughing and seeding conditions which augur well for good crops in 1956.●

Entering the American Market

Many Canadian exporters, says the author, do not try out the U.S. market because of Customs problems. The author discusses some of these problems and how they might be tackled—and offers other advice on selling south of the border.

R. G. C. SMITH, *Commercial Counsellor, Washington.*

TO MANY EXPORTERS, the cost of entering the United States market appears unpredictable. This conception may be the result of a discussion with the United States Customs or may stem from an examination of the activities of the Tariff Commission. Indeed, a pessimistic attitude towards the U.S. market seems to have grown up among Canadian companies—an attitude that threatens to act as a more serious barrier to trade with that country than the facts warrant.

This statement is not meant to suggest that the Customs problems (meaning the intricacies of the application of the law and valuation procedures, rather than rates of duty) are not serious or difficult. Rather, it is suggested that in many cases they can be dealt with if the exporters will spend a little time in understanding the factors and making the necessary adjustments. For example, some of the popular misconceptions about the difficulties are expressed in the following extract from a letter written by a Canadian exporter.

> "The different Customs ports seem to be able to levy whatever tariff they feel like and can revalue the goods to the retail price before they levy the duty if they are so inclined. This makes it almost impossible for the importer to know for a period of up to a year or two whether or not he is going to be called on to pay more duty, as the shipment can be re-billed to the importer by an official further up the ladder."

Overcoming Basic Difficulties

In fact, the ideas expressed in this letter could hardly be farther from the truth, although there are occasions when the difficulties encountered could give rise to such beliefs. *Foreign Trade* of December 10, 1955, contained an article entitled "Customs Simplification in the United States" which outlined the facts of the admittedly complicated valuation procedures. This is one of the most baffling parts of the U.S. Customs Law, yet, as the article points out, in many cases the difficulties can be overcome. Recently in Detroit the Under-Secretary of the Treasury, Mr. H. Chapman Rose, had this to say about the valuation difficulties (parentheses added by way of clarification): "Of course, the exporter could have avoided this problem (i.e., increased costs arising out of valuations higher than actual selling price) by obtaining competent advice from an expert on U.S. Customs laws. He undoubtedly could change his commercial practices for the future so that foreign value (frequently the basis for trouble) could not be used as a basis for appraisement." These words were not polite anaesthetics, designed to lull the importer into a false sense of security; they stated a fact that is little understood by exporters dealing with the United States market.

Rulings on Classification

Similarly other difficulties, such as non-uniform classifications between different ports of entry, can be cleared up by the simple device of securing a ruling at Washington, which is then sent out to all U.S. ports of entry. If a product is classified under an item in the U.S. Tariff Schedule which gives a high *rate of duty,* little can be done to remove such a "road block". Under the U.S. Tariff Law, rates may only be changed by Acts of Congress or as a result of a negotiated trade agreement—and at the present time a reduction in tariff rates through trade agreements is strictly limited by the Trade Agreements Extension Act to about 15 per cent of the duty existing in January 1955. Where, however, a *classification* may appear unjustified to an exporter, an appeal may be made, either directly or through the offices of the Department of Trade and Commerce in Ottawa, to the Customs Bureau in Washington where the case will always receive sympathetic consideration. If the ruling is still unsatisfactory, a final decision in such matters may be secured from the Customs Courts. However, there are cases on record where the Customs authorities have reversed their first decision after having new pertinent facts presented to them.

Effect of "Escape Clauses"

It is frequently held that, because of the escape clauses in the Reciprocal Trade Agreements Act, the U.S. Tariff Commission will ensure that any successful

penetration of the American market will be quickly brought under control and nullified by quota or tariff action. There is no doubt that there is a threat to imports under these escape clauses, and they are a deterrent to enterprise. On the other hand, the threat has been implemented with restraint.

The record shows that, since the first legislation establishing the escape clause in 1943, some 54 investigations have been completed. In only 13 of these cases did the Commission decide in favour of escape clause action, and in three others opinion was evenly divided. However, in only six of these cases did the President actually invoke the escape clause and take action to provide additional protection. Generally, therefore, this threat should not be accepted as an excuse for not trying vigorously to penetrate and hold a fair share of the American market by legitimate means. The Canadian position, in most cases, is stronger than that of other countries, because Canadian wage rates are generally comparable to those in effect in the United States, and discrepancies between foreign wage rates and those of the United States are the major bases for complaint in escape clause hearings.

Help with Customs Problems

If an exporter's product can still compete in price when the existing rate of duty is applied to the real selling price, he may find that other Customs problems can be dealt with. In any case, it is a possibility that bears investigating. There is no cure-all for these problems and the solution will differ with the individual pricing policy of each Canadian exporter concerned. If any Canadian firms have been kept out of the market because of the uncertainties of the administration of the United States Customs law, due either to problems of classification or problems that arise from valuation procedures, they are invited to communicate with the Department of Trade and Commerce in Ottawa or the Commercial Counsellor's office in Washington. There every effort will be made to help such firms find a solution to their difficulties.

Canada in Unique Position

It is not the intention to analyze here how to sell in the American market; there are many excellent books, pamphlets and articles, both official and otherwise, on the subject. However, it may be possible to clear away some of the insubstantial and vague fears that seem to hold the Canadian exporter back from "having a go at it".

Canada is in a unique position in the American market on several counts. First, there are many large U.S. market areas within easy reach of Canadian sources of production. In some cases, it may be that there are important centres of consumption as close to, if not closer to, Canadian producers than to United States manufacturers. There are always exceptions to any generalization, but in some cases the efforts of Canadian firms may be more effective if they are concentrated on the consuming centres that represent the lowest freight costs. It is not necessary to give priority to the classic enormous consuming areas such as New York and Chicago. There the competition will probably be fiercer, the volume of demand may far outreach the capacity of Canadian factories, and the approach will certainly be more difficult. In other words, what is a relatively small consuming centre in the United States may be a large consumer to a Canadian manufacturer. The small centres also provide a step-by-step method of build-up. Furthermore, there are hundreds of these relatively small consuming centres. The exporter should remember that: "Small business is big business in the United States".

Marketing Approach Similar

Another unique advantage—and this could just as well be placed first—is the fact that methods of doing business, the types of people, and their ways of thinking are very closely related. Nevertheless, the fact remains that frequently Canadian firms do not look upon the American market as being essentially the same as (if very much larger than) the Canadian. Possibly the difficulties over Customs matters have served to obscure this fundamental fact. Again risking a generalization, it is probably true to say that if a Canadian manufacturer can offer a competitive article (after taking into account the duty), his problems of selling in the United States then differ very little from his problems of selling in Canada.

Selling Methods Differ Little

There are, of course, differences that stem principally from the larger size of the market and the choice of where the principal efforts must be made. But, in essence, the tactics of selling and distribution do not differ greatly from those to which Canadian manufacturers are accustomed. It is just as easy for an executive of a Montreal manufacturing firm, for example, to run down to such places as Syracuse, Buffalo, and Rochester as it is for him to go to Toronto. Similarly, if a product is best sold in Canada by a system of exclusive distributors, or by salesmen calling on department stores, or by commission agents, it can probably best be sold in the United States by the same methods. These advantages are not available to any other competing country.

However, they bring with them a natural corollary—if a Canadian wishes to succeed he must "work" the American market as intensively and as thoroughly as the Canadian market.

There are, of course, certain peculiarities of and aids to selling to the American market that are not found in Canada. For example, there are a host of vertical trade shows and conventions that can be a great help in establishing a product in the United States (*Foreign Trade* of December 10, 1955, describes the importance of Chicago for such shows). New York's highly organized system of buying offices enables a manufacturer to obtain nation-wide coverage through that city. For articles that are subject to constant changes in style or colour, it may be well to make New York a first port of call because buyers elsewhere may be reluctant to place orders without knowing the New York verdict.

Certain Disadvantages

This similarity to and familiarity with the American market also brings with it certain disadvantages. With few exceptions, there is little "currency" to a product because it is Canadian—the word Canadian is not generally a sales asset. Other foreign goods may have an appeal because of a long tradition of manufacture and styling. Moreover, few Canadian manufactured goods are distinctively different from their American counterparts.

This means, of course, that to a considerable extent Canadian manufacturers, to be successful, must compete dollar for dollar. This is much more true than for their European competitors, for example, in any goods where styling, design, or packaging are important factors.

What Can Be Done?

In spite of the advantages suggested above, Canadian costs of production, plus the duty, may make it impossible for many Canadian manufacturers to do much about the American market. There may not be a solution in all cases—but certainly there is in some. If Canada is to move more into the field of exporting manufactured goods, (including manufactured food products) to the United States, it is essential to work at the problem of distinctive design and styling. The United States market is so large and is such an avid consumer of new ideas that for the long run Canadian manufacturers must develop a distinctive Canadian flair or characteristic either in the product or in the packaging, or both. Nor should this be considered as a hopeless or unattainable goal. The rewards are there and in some cases they have been reaped by companies who have tried to compete on the basis of design, quality, or distinctive packaging, rather than on a more narrow concept of price for price.

Packaging Should Be Distinctive

Apart from the actual product itself, more attention needs to be directed to packaging that will proclaim the goods as different from American products. Too often Canadian products are presented to the U.S. market in U.S. packaging forms. To do this condemns the product to competition on an exact price basis. The word "imported" still is an asset in many lines (though probably it is diminishing as a general asset) and it is a fundamental waste to throw this asset away by aping American styles of packaging. For example, a Canadian chocolate manufacturer recently stated: "We understand how candies imported from Europe can be sold at very high prices, both in Canada and in the United States, as they have a certain foreign appeal that some of the public fall for, but our merchandise follows very closely along the pack and appearance of the American product, and we think that the appeal of being imported would be, to a great extent, lost and that no real volume could be expected".

Why should Canadian manufacturers be backward in proclaiming their wares and, when there is a superior product, fail to create the appeal "good, because it is Canadian".

In the case in point, the manufacturer was referring to the fact that he had a quality line that sold at a price above the average, yet he deduced he could not sell in the United States. In the market with the world's highest standard, could not Canadian chocolates, if of high quality, be sold if they are packed to look different from the American competition? Perhaps the fact that they come from Canada has no particular appeal now, but unless a start is made, and unless Canadian manufacturers are prepared to "boast" a little about their products, the word Canadian will never become currency.

Better Products—or Different Ones

These are all difficult matters on which marketing experts will undoubtedly agree and disagree. But taking into account the difference in size of the domestic market, the higher overhead of winter operations in Canada, the almost similar labour costs, it is only where raw material costs are lower that Canada is able to compete on a straight price basis (after absorbing the duty). The way round must lie in producing either a better product—or a different one.

Once that is done, the U.S. market may be regarded as an extension of the domestic market. The manufacturer can enter it if he will treat it with the same energy, imagination, determination and resources that he is prepared to apply to the development of the Canadian market. ●

A group of Italian girls gather in the grape harvest. Non-sparkling wines rank high among Canada's purchases from Italy.

Italy Enjoys Good Year

A record harvest, a rise in industrial production, and increased foreign exchange reserves contributed to Italian optimism in 1955. Trade with Canada rose in first nine months and this increase bids fair to continue.

W. R. VAN, *Commercial Secretary, Rome.*

ITALIANS began 1955 with a certain amount of anxiety, but the first nine months of the year turned out unexpectedly well from the economic standpoint. Agriculture, with an exceptional harvest, and industry, with a production index virtually double that of 1938, contributed equally to this favourable outcome.

Wages, wholesale prices and the cost of living remained comparatively steady and unemployment decreased slightly. It is estimated that the gross national product in 1955 will be at least 6 per cent above that of 1954. The tendency towards inflation, noted during the third quarter, appears to have been arrested and the lira has remained stable. Gold and foreign exchange reserves increased during the first nine months by over $100 million from the total of $890 million at the end of 1954.

The Italian harvest surpassed all expectations. Cereals, the most valuable crop, were especially good, with the wheat crop, estimated at 9·2 million metric tons, even larger than in 1953. Corn production rose, coarse grains about equalled 1954, and the rice harvest was smaller. Yields of other crops varied but in general were ahead of 1954. The weak spots were olives and hemp.

The large wheat crop will mean a further substantial reduction in imports although some 300 thousand tons of durum are still needed every year for pasta making. In filling their import requirements, the Italian authorities are giving priority to soft currency areas or those countries with which Italy has commodity exchange agreements. Turkey and Argentina, under agreement, will supply 100 thousand and 50 thousand tons of wheat respectively. In the last week in December and the first half of January, Italy contracted for 75 thousand tons of durum from Canada.

Industry Continues Expansion

During the first eight months of the year, industry continued to expand satisfactorily, except for textiles and especially cottons. Producer goods had a better record than consumer goods.

Metallurgy, and particularly the steel industry, provided one of the most dynamic elements in the year's industrial expansion. Steel production in 1955 exceeded that of any other nation in the European Coal

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and Steel Community—nearly four million tons of crude steel in the first nine months of the year. It is estimated that by the year's end, production will reach well over five million tons.

The automotive industry during the first nine months produced 165,600 passenger cars (excluding motor scooters, commercial vehicles, etc.), an increase of over 22 per cent from the previous year. Automobile exports at 54,400 showed an 80 per cent increase. This outstanding rise in production and exports was mainly the result of the introduction, during the year, of a new-look, low-priced car by the leading Italian automobile manufacturer.

Shipbuilding yards are booked solid for several years to come and basic chemical output continued to climb, with an increase of 19 per cent in the first eight months of 1955 over the same period of 1954.

Imports and Exports Up

Imports at $1,984 million and exports at $1,347 million in the first nine months of 1955 showed increases of 11 and 9 per cent respectively over the corresponding period in 1954. The overall increase in trade was accompanied by a larger deficit in the trade balance than in 1954, although the deficit was lower than in 1952 and 1953. However, increased earnings from invisibles (tourists, freight and remittances), capital investments and extraordinary receipts helped to cover this trade deficit. Increased imports, apart from heavier wheat purchases, resulted from larger purchases of materials for Italian industry—such as coal, lumber, pulp, metal scrap, pig iron, iron and steel ingots, inorganic and organic chemicals. Principal factors in the export rise were increased sales of iron and steel blooms and other steel products, motor vehicles and tractors, products of the metal and engineering trades, and chemicals and fertilizers.

Trade with the dollar countries increased substantially during the first nine months of 1955. Exports to dollar countries were valued at $192 million, an increase of 22 per cent over the previous year, and imports at $352 million were up 32 per cent. Among the reasons for higher imports from dollar countries were larger purchases of coal, as well as a diversion of imports away from European countries resulting from new requirements of the European Payments Union for settling a larger proportion of current deficits in gold or dollars.

Although the value of trade with EPU countries increased in 1955 over 1954, the share of these in Italy's overall trade decreased during the first nine months of 1955. This area accounted for 65·1 per cent of Italian export trade as against 69 per cent during the same period of the previous year. Imports from this area fell from 74·8 to 70·2 per cent. At the same time the dollar value of exports rose from $833·6 million in January to September 1954, to $1,198·4 million during the first three quarters of 1955. Imports increased slightly—from $1,320·4 million to $1,392 million—in the same period. Increases in exports resulted principally from the boom conditions in many EPU countries.

Both Canadian sales to Italy and Italian sales to Canada increased in the first nine months of 1955, as the table shows.

Canadian-Italian Trade

(millions of dollars)

	(January-September)	
	1954	*1955*
Canadian exports to Italy	14·1	16·8
Canadian imports from Italy	10·3	11·6
Balance for Canada:	3·8	5·2

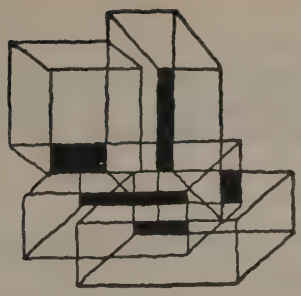
(Source: DBS)

The major portion of increased Canadian sales to Italy was accounted for by metals and wheat. The latter is also, however, our most vulnerable export to this market. Canadian exports continue to be affected by Italian regulations controlling the allocation of import licences for many commodities originating from dollar countries which can be readily procured from the EPU countries and other soft currency areas. Although Italy has freed various dollar imports from import licensing control, there was no further liberalization of dollar imports in 1955.

The more important products exported to Italy from Canada (apart from wheat) included lumber, wood pulp, iron and steel, cast iron and other metal scrap, non-ferrous metals, aluminum and its alloys, synthetic rubber, petrochemicals and other chemicals, asbestos, dried fish, etc. In other words, our principal exports to Italy continue to be primary materials and semi-fabricated products.

Prospects for 1956

With every evidence that Italian industry will continue its present steady expansion, imports of Canadian raw materials and semi-manufactures should remain at the present level or may even increase. The more liberal investment law which has just come into effect should mean greater opportunities for foreign companies—particularly those located in dollar countries, who often find it difficult to export finished goods to Italy—to establish themselves in the Italian market either through the setting up of subsidiaries or by having their products manufactured under licence. It is expected that, with the determination of the Italian Government to maintain a liberal trade policy and the greater soundness of the Italian economy, imports of essential goods will be expanded and diversified. Further steps towards convertibility, such as a progressive hardening of credit in EPU, might also lead to greater trade with dollar countries.●



commodity notes

Austria

MACHINERY—Austria's iron and steel machinery industry prospered in 1955; compared with 1954, production and exports increased considerably. Output amounted to 162 thousand tons valued at A.Sh.3,180 million during the first three quarters of 1955, as against 139,999 tons at A.Sh.2,789 million during the same period of 1954. This represents a production increase of approximately 14 per cent—Berne, Feb. 29.

Colombia

OIL—The Colombian National Petroleum Authority has announced the signing of a $50 million contract with American interests for offshore oil exploration on the Caribbean coast. The oil companies have been granted a concession of approximately 200 thousand hectares in Tolu and the adjoining offshore limits. This will be the first offshore oil exploration undertaken in Colombia—Bogotá, Feb. 23.

Cuba

MAHOGANY—A surplus of Cuban mahogany is indicated by a recent application to the Commerce Ministry by a San Juan (Oriente) firm for an export permit for one million feet of mahogany. The firm has not been able to find domestic buyers. Cuban mahogany exports in 1953, the latest year for which there are complete figures, were 360 board feet valued at $120—Havana, Feb. 27.

Finland

NEWSPRINT—Finnish newsprint production totalled 530 thousand metric tons in 1955, an increase of 94,000 tons (about 21 per cent) over 1954. Exports totalled approximately 460 thousand tons, an increase of 68,000 or 17 per cent. Production in 1956 is expected to reach approximately 630 thousand tons—Stockholm, Feb. 29.

France

OFFICE MACHINES—The French office machinery industry has enjoyed postwar development; both domestic sales and exports have grown. Value of total production of business machines in 1955 reached an estimated $41·5 million ($39·2 million in 1954), of which export sales accounted for $15·2 million, or over 36 per cent. Exports are expected to about equal imports of this equipment during 1955; before the war France imported about 75 per cent of her requirements—Paris, March 2.

Greece

GOLD—By a decision of the Greek Cabinet, gold in all forms, including coins, may now be imported into Greece without customs declaration, exchange control or any other formality. This measure aims primarily at reducing the price of the gold sovereign in the Greek market to a level in line with prices abroad. Ever since the German occupation, the gold sovereign has been unofficial legal tender in all important transactions, especially for property, and the most common form of saving for individuals. Recent political events in this area and buying pressure from France have combined to raise the price of the gold sovereign to the equivalent of $10.84. This has tended to lower confidence in the fiscal and monetary situation and has encouraged illegal importing of gold coins from neighbouring countries, especially Switzerland. The decision to legalize and facilitate gold imports into Greece was taken in the hope of dealing effectively with the price rise and illegal imports simultaneously—Athens, Feb. 20.

Hong Kong

COTTON—According to the Hong Kong Cotton Spinners' Association, the Colony's cotton yarn spinning industry continued to develop in 1955. By the end of the year, there were 17 mills possessing 306,212 spindles, and monthly yarn output (calculated on the basis of 20's) was 10,925,800 lb. Twelve months earlier the figures were 13 mills, 244,542 spindles and 8,231,380 lb.—Hong Kong, Feb. 21.

India

POLYSTYRENE—India will soon have the first polystyrene plant in Asia and the Middle East, according to a recent announcement of an agreement between an Indian company and a large American chemical producer. Construction work in a Bombay suburb is expected to begin early next year. India's

present foreign exchange expenditure on polystyrene equals $2·5 million a year—Bombay, Feb. 22.

Israel

GLASS—Israel's $4 million glass industry in Haifa, which uses local quartz sand from the Negev desert, is reported to be the largest plant of its kind in the Middle East, with an annual production capacity of 25 million square feet. During 1955 this plant received orders for over $500 thousand of window and crystal glass from the United States; sales to the whole dollar area in 1954 totalled $150 thousand. In addition to machine-drawn sheet glass, the plant reportedly produces a full range of glassware, including bottles, jars, blown tumblers, plates, automatically-blown ampoules and continuous glass fibre for thermic and other insulation—Athens, Feb. 25.

Kenya

COFFEE—Indications are that Kenya's coffee crop for 1955-1956 will be a bumper one of 22,000 tons, almost double the 1954-1955 season, and may realize as much as $25 million. The big jump is attributed to heavy unseasonal rains; already 14,000 tons have been harvested. Practically all Kenya coffee is the Arabica type which is noted for its high quality and commands a high price—the average for the 1954-1955 season was over $1,300 a ton. Until recently the industry was in the hands of European planters but African farmers are now being assisted by the Government and this year their production is expected to reach 1,100 tons, practically all from very small holdings. The main export market is West Germany which buys the highest grades and in 1954 imported 3,500 tons worth $5·8 million. During the same period, the United Kingdom took 3,700 tons worth $4·3 million, and the U.S. 900 tons worth $1·2 million. Canada was the fourth best customer with 800 tons valued at $1 million. Total exports reached 11,200 tons worth $16·9 million—Salisbury, Feb. 24.

Netherlands

APPLES AND PEARS—The Mixed Benelux Committee has decided to abolish the minimum price for apples and pears in the inter-Benelux trade. Thus far, apples and pears have been included in the Benelux Agricultural Protocol list of products which each Benelux country could only import from its Benelux partners at minimum import prices. Now, under the new agreement, pear imports into the Netherlands, Belgium and Luxembourg after February 15 will no longer be subject to any geographic or price restriction. On March 15, apple imports into the Netherlands will also be freed from limitations on origin and prices, but those in Belgium-Luxembourg after that date will still have to originate in Holland and be subject to minimum import prices—The Hague, Feb. 22.

Sweden

PAPER—Sweden's 1955 production of paper and cardboard reached a new record of approximately 1·45 million metric tons, an increase of 50,000 tons over 1954. Exports for 1955 also increased by over 50,000 tons and reached the record figure of approximately 800 thousand tons.

Export prospects in 1956 are considered promising, and, therefore, the Scandinavian producers have been able to increase their c.i.f. quotations for kraft paper, sulphite wrapping paper, greaseproof and parchment qualities.

Exports of newsprint are expected to increase in 1956; total exports in 1955 amounted to approximately 200 thousand tons, an increase of 15,000 compared with 1954. Also, higher prices have been quoted on newsprint sold to Great Britain. The producers expect the market to improve even further and are planning extension work at their mills—Stockholm, Feb. 20.

United States

GAS AIR CONDITIONER—A Fort Worth, Texas, gas company has introduced a new gas air conditioner to the consumer market. The unit employs an engineering device developed for the gas engine by a Dallas inventor. The makers claim that the unit can be operated at substantially less cost than conventional types of the same size—New Orleans, Feb. 28.

NEWSPRINT—The Coosa River Newsprint Company, Coosa Pines, Alabama, has increased its prices by $4 per ton to $129.50 per ton. This price, the company said, is lower than any its stockholder-customers could get from other sources.. Coosa River's output is sold to newspapers which are also stockholders—New Orleans, Feb. 28.

PAPERBOARD—An American company has recently announced an $11 million expansion program which will include construction of a new bleached kraft mill at Manistee, Michigan, to be completed late in 1957. This new plant, which will make paperboard from pine pulpwood, will permit the company to manufacture bleached foodboard used in packaging dairy products and frozen foods. At the same time, at Alpena, on the Lake Huron side of the State, the Abitibi Power and Paper Company is breaking ground on a 72-acre mill site where from 80,000 to 100,000 cords of scrub oak, poplar, and jack pine will be used each year in the manufacture of hardboard—Detroit, March 5.

Canada's Industrial Development

a Half Century of Progress

Today Canada ranks sixth among industrialized nations in volume of manufactured goods produced. What influences have made this development possible and what has been the effect upon domestic and on foreign trade?

O. J. FIRESTONE, *Economic Adviser, Department of Trade and Commerce.*

MOST OF US realize that Canada is one of the world's leading trading nations. In terms of total value of foreign trade (exports and imports) Canada ranks fourth among the nations of the world, following the United States, the United Kingdom, and Western Germany. On a per capita basis Canada is currently the world's second most important trading nation, following New Zealand.

The fact that Canada is also one of the world's leading industrialized nations is less well known. Indeed, she ranks sixth as a manufacturing nation in terms of the total value of commodities produced. In terms of national income originating in manufacturing, Canada is preceded by the United States, the United Kingdom, West Germany and France. What information can be secured about Russia suggests that her manufacturing output exceeds substantially the volume of manufactured goods produced in Canada in total, though not on a per capita basis. On the latter basis Canada has the second highest national income originating in manufacturing industries among the more industrialized nations, following the United States. It bears emphasis that a large proportion of manufacturing operations in Canada is based on the processing of native industrial raw materials. Manufacturing activity in highly industrialized countries such as the United Kingdom, France, West Germany and Italy is based to an important extent on the fabrication of articles, with these countries relying on fairly substantial imports of industrial raw materials.

Among the factors contributing to Canada's being one of the largest trading and industrialized nations in the world are: availability and variety of natural resources, the growing need of the world for many of the industrial materials and foodstuffs this country can produce competitively, the rapid expansion of the domestic market, and the vigour and industry of the Canadian people.

That Canada is one of the world's leading industrialized nations may be gratifying to Canadians. But the notable fact is—and this should prove encouraging to other less industrialized countries—that it was achieved by a country containing about three-fifths of one per cent of the world's population and considerably smaller in size than the other leaders in the industrial field.

Changing Pattern of Canadian Economy

Manufacturing industries are now Canada's most important field of employment and income. One out of every four persons works in them and every third dollar of Canada's national income is earned by persons employed in these industries. Their pre-eminence has come about only recently. If the criterion of industrialization is the proportion of a nation's national income derived from manufacturing activity, then Canada became more industrial than agricultural during World War I. But if the definition is extended to cover the volume of employment provided in these two industries, as well as national income, then our industrial coming of age dates back only to the early

TOTAL EMPLOYMENT AND PERSONS EMPLOYED IN MANUFACTURING AND AGRICULTURE, CANADA, 1900 AND 1953.

		Manufacturing		*Agriculture*	
	Total '000	*'000*	*Per cent of Total*	*'000*	*Per cent of Total*
1900(1)	1,783	309	17·3	717	40·2
1953(1)	5,356	1,397	26·1	910	17·0
Average annual rate of growth (compound)..	2·10	2·89	—	0·45	—

SOURCE: *Canada's Economic Development, 1867-1953*, Department of Trade and Commerce. (Study to be published). Unless otherwise specified, data in subsequent tables are from the same source.

(1)As of June.

years of World War II. The fact remains, however, that a number of Canadian manufacturing industries became competitive with those of other countries in terms of both quality and prices long before World War II—for example, the farm implement and pulp and paper industries.

The nation undergoing rapid industrial expansion may achieve this at the expense of a decline in the importance of primary industries. This is not quite the Canadian experience over the last half century. One of the major primary industries, agriculture, has declined substantially in importance. For example, in 1900 over 40 per cent of total persons employed were in agriculture; this proportion dropped to 17 per cent by 1953. The comparable percentages for manufacturing are 17 and 26 per cent respectively. On the other hand, three primary industries have been doing rather better: mining, forestry operations, and fishing. If anything, these three primary industries taken together are now a somewhat more important factor in Canadian economic development than they were at the turn of the century. The large resources development program, mainly in mining and to a lesser extent in forestry, is largely responsible. As for fishing, the entry of Newfoundland into the Canadian Confederation in 1949 has added what has been traditionally a major staple industry for this region, catering to world markets.

Growth of Industry

In 1953 Canadian manufacturing industries employed close to 1·4 million persons and their gross value of output reached $18 billion. After eliminating cost of materials, fuel and electricity, net value added in manufacturing amounted to about $8 billion. Over the last half century or so, the number of persons employed in manufacturing rose to more than 4½ times, and the volume of manufacturing (in constant dollar terms on a net value basis) to about ten times, the 1900 level. This rapid growth of Canadian manufacturing industries was made possible largely because of heavy capital expenditures, increasing productivity, growing markets, changing composition of manufacturing operations, and the access to results of research and know-how from other industrialized nations, particularly the United States and the United Kingdom.

Canadian manufacturing industries spent over $900 million in 1955 on capital expenditures to add to their plant and improve existing facilities. This is about 17 per cent of the total capital expenditure program covering investment outlay by both private and public agencies, and 27 per cent of total business investment. In earlier periods an even larger proportion of Canadian capital expenditures went into the building and equipping of plants by manufacturing industries—about one-quarter of the total in the late twenties.

GROSS AND NET VALUE OF MANUFACTURING PRODUCTION, TOTAL AND PER EMPLOYEE, IN CURRENT AND CONSTANT DOLLARS, CANADA, 1900 AND 1953.

Item	*Total*		*Per Employee*	
	Millions Current $	*Millions Constant* $	*Current* $	*Constant* $
Gross Value				
1900	584	936	1,890	3,029
1953	17,785	8,058	13,403	6,077
Percentage Increase				
Aver. annual (compound) 1900–1953	6·66	4·15	3·76	1·32
Whole Period 1900–1953	2,945·4	760·9	609·2	100·6
Net Value				
1900	223	357	722	1,123
1953	7,993	3,622	6,023	2,730
Percentage Increase				
Aver. annual (compound) 1900–1953	6·99	4·47	4·08	1·69
Whole Period 1900–1953	3,484·3	914·6	734·2	143·1

Need for Capital

It takes over $4,000 worth of plant and equipment to keep one worker employed in manufacturing industries. This figure reflects the book value of plant and equipment. In terms of the replacement value, capital requirements per worker would be about three times the above figure. Capital requirements in real terms per worker in Canada have increased by about one-half in the last 53 years. This means that industry planning to expand in Canada has to allow for continuously growing requirements per worker. For example, on the basis of past experience, an industry planning its capital requirements ahead for ten years would not only have to consider new plant facilities to meet expansion in demand for its products, but it would also have to consider growing capital requirements per worker because of technological progress of the order of 0·73 per cent (compound) a year, or almost 10 per cent for ten years.

The average worker employed in manufacturing industries in Canada produces about $13,000 worth of commodities a year. If the cost of materials and supplies is excluded, the average worker adds to manufacturing a net value of over $6,000 per year. Since the beginning of the century, output per worker in real terms (on the basis of net value added) has risen by 143 per cent, or at an annual average rate of 1·7 per cent (compound). The increase in productivity in manufacturing has been more rapid than in the economy as a whole. For example, gross national product in constant dollars per employed person has risen by 1·45 per cent (compound) annually over the corresponding period 1900 to 1953. Without this rapid rise in productivity of the Canadian industrial worker and without the shift from agriculture into

manufacturing, the Canadian economy would not have expanded so rapidly. This rapid expansion in turn has contributed to much higher levels of real income of the Canadian working population, and to higher standards of living.

Growth of the Canadian Market

Canadian manufacturing industries have largely been developed to cater to the domestic market. About 85 per cent of the output of manufacturing industries is consumed in Canada and only 15 per cent is exported. Most of the manufactured products that are exported involve added processing of Canadian-produced raw materials—e.g., pulp and paper and copper ingots.

high-productivity industries has also taken place within the manufacturing sector itself. For example, industries that are highly mechanized, employ a large volume of capital equipment, and use fairly advanced technology have become more important—such as iron and steel, transportation equipment(including Canada's highly developed aircraft industry), non-ferrous metal products, electrical and electronic equipment, and the chemical industry. On the other hand, expansion in other manufacturing industries with a somewhat lower rate of increase in productivity has taken place more slowly. Examples include food and beverage processing, rubber and leather products, and the textile industry. In many of the rapidly growing industries Cana-

Exports and Imports by Degree of Manufacture Canada, 1929[1] and 1953

Item	1929(1)					1953				
	Domestic exports(2)		Imports(2)		Balance of commodity trade	Domestic exports (2)		Imports(2)		Balance of commodity trade
	Millions of Dollars	Per cent of Total	Millions of Dollars	Per cent of Total	Millions of Dollars	Millions of Dollars	Per cent of Total	Millions of Dollars	Per cent of Total	Millions of Dollars
Raw Materials—										
Industrial(3)	99·5	9·2	167·5	13·4	−68·0	301·2	7·3	527·8	12·0	−226·6
Other	295·5	27·2	120·8	9·7	+174·7	1,026·6	24·9	284·3	6·5	+742·3
Sub-total	395·0	36·4	288·3	23·1	+106·7	1,327·8	32·2	812·1	18·5	+515·7
Semi-manufactured goods	213·3	19·6	96·0	7·7	+117·3	1,189·2	28·9	217·7	5·0	+971·5
Fully-manufactured goods	477·6	43·0	864·0	69·2	−386·4	1,600·4	38·9	3,353·0	76·5	−1,752·6
Total	1,085·9	100·0	1,248·3	100·0	−162·4	4,117·4	100·0	4,382·8	100·0	−265·4

SOURCES: *Trade of Canada, Fiscal Year Ended March 31, 1930* and *Year Ended December 31, 1953*, Vol. I.

(1) Fiscal year ended March 31, 1930.

(2) Excluding gold.

(3) Total raw materials less the "Agricultural and Vegetable Products" and the "Animal and Animal Products" groups, which are mainly foodstuffs.

With manufacturing industries depending so heavily on the domestic market, the growth of that market has been an important factor in influencing the rate of expansion of these industries. Canada's population is now almost 16 million, providing a total market (as reflected in gross national expenditure) of over $26 billion. During the period 1900 to 1953 Canada's population about tripled, while the size of the Canadian market expanded to seven times what it was in 1900, in real terms.

Changing Composition of Manufacturing

The last half century saw a more or less continuing changeover in the allocation of resources from low-productivity to high-productivity industries. The significant change in the relative importance of employment in agriculture and in manufacturing has already been noted. This change-over from low to

dian manufacturers turn out high-quality products comparable with those produced in other highly industrialized countries, including the United States and the United Kingdom. And where large-scale manufacturing operations can be carried on (as in farm implements and metal mining equipment) Canadian manufacturers can produce these at world competitive prices.

Access to Research and "Know-How"

Domestic manufacturing industries have drawn on the best there is from the Old as well as the New World. British and other European capital, managerial experience and skilled craftsmanship were readily absorbed in Canada's growing industries. U.S. firms established an increasing number of branch plants in Canada—in the twenties because a growing domestic market warranted their establishment, in the thirties to facilitate exports to Commonwealth countries under the British

preferential tariff, and in the fifties to make use of extensive resources of low-cost materials discovered in Canada largely in the postwar period, as well as to cater to the growing demand both in this country and abroad. Further, the closeness of Canada to the United States has enabled the Canadian manufacturing industry to draw on the scientific discoveries and progress in industrial technology made in the United States. Thus Canada's more limited resources could be concentrated on the development of a few selected products and processes, achieving in these fields results that compare well in terms of cost and ingenuity with those of other industrially advanced nations.

Manufacturing and Foreign Trade

Fully and partially-manufactured products loom fairly large in Canada's export trade. This is largely due to Canada's ability to export many of her raw materials in processed form or in a form of early fabrication—newsprint, pulp, and non-ferrous metals. The trend has been towards increasing the proportion of partially and fully-manufactured goods being shipped abroad. The respective proportions for 1900 and 1953 are 58 and 67 per cent (see table). Most of Canada's imports consist of partially or fully-manufactured commodities. Again the trend is towards increasing imports of manufactured products; the proportions for 1900 and 1953 are 76 and 81·5 per cent respectively. (See table.)

That Canada is an important exporter of industrial materials—some in raw and some in processed form—is well known. Less well known, however, is the fact that Canada is also an important *importer* of raw materials. For example, in 1953 imports of industrial raw materials amounted to $528 million, against exports of industrial materials in unprocessed form of $301 million. As a result, Canada had a trade deficit on industrial raw material trade account of $227 million. On the other hand, Canada had a substantial positive balance on trading of agricultural products ($742 million), and trading of semi-manufactured goods, mainly processed materials ($972 million). The main deficit was in the field of fully manufactured goods, where Canada imported $3,353 million worth and exported $1,600 million, chalking up a trade deficit on manufactured commodity account of $1,753 million.

Effect of Growing Industrialization

The rapid industrial expansion of Canada has had many and varied effects on the Canadian way of life. Perhaps three of the outstanding ones have been:

- The growing urbanization of the Canadian population. Seven out of ten people now live in cities and towns and other urban centres. At the turn of the century only four out of ten lived in urban communities and six in rural areas.

- Rapid industrialization has contributed to a significant increase in real income and thus to higher standards of living. For example, the average Canadian earns now more than double the income his father or grandfather did at the beginning of the century and his expenditures on consumer goods and services are correspondingly considerably higher. Furthermore, he has access to a much greater variety of goods and services than he ever had before.

- Finally, Canadians have been able to achieve all this and at the same time enjoy greater leisure. For example, the average worker in manufacturing worked 57 hours per week in 1900, as against 41 hours in 1953, a decline in the number of hours worked per week of more than one-quarter.●

Total Value of Exports and Imports, Value of Partially and Fully Manufactured Products, and Proportion in Exports and Imports, in Current and Constant Dollars, Canada, 1900 and 1953

Item	Total Value		Value of manufactured products		Percentage of total exports and imports	Exports or imports of manufactured products as a percentage of the total value of manufactures[1]
	Millions Current $	Millions Constant $	Millions Current $	Millions Constant $		
Exports						
1900	178[2]	200	104[3]	117	58·0	17·8
1953	4,173	1,644	2,790	1,099	67·0	15·7
Average annual rate of growth (compound)	6·13	4·05	6·40	4·32	—	—
Imports						
1900	177[2]	182	134[3]	138	76·0	21·8
1953	4,383	1,875	3,571	1,527	81·5	19·2
Average annual rate of growth (compound)	6·24	4·50	6·39	4·64	—	—

SOURCE: *Trade of Canada 1901* and *1953*.

(1) In the case of imports, total value is that of the supply of manufactured goods—i.e., production plus imports minus exports.

(2) Fiscal year ending June 30, 1901.

(3) Special estimate.

Trade Agreement with Russia Concluded

On February 29, 1956, a trade agreement between Canada and the USSR was signed by accredited representatives of both governments. The same day, the Right Hon. C. D. Howe, Minister of Trade and Commerce, made the following statement to the House of Commons:

Mr. Speaker:

"I am happy to announce the conclusion of a trade agreement with the Union of Soviet Socialist Republics. The text of this agreement is being tabled for the information of honourable members. If the House agrees, I suggest that the text be printed as an appendix to *Votes and Proceedings*.

"My colleague, the Secretary of State for External Affairs, opened the way for this agreement during his visit to the USSR last October. At that time it was agreed in exploratory talks that negotiations should take place in Ottawa. A delegation from the USSR arrived here four weeks ago and the negotiations have been in progress since then.

"The agreement which has been reached is set forth in five documents.

"The first of these documents makes provision for the exchange of most-favoured-nation treatment along lines similar to existing agreements with various other countries. It includes other provisions having to do with the conduct of trade between the two countries. It recognizes that either Government may apply prohibitions or restrictions of any kind for the protection of its essential security interests. Our strategic export controls are therefore not affected. This agreement provides, in addition, on a reciprocal basis for the non-discriminatory treatment of merchant ships while in port. On the Canadian side, the effect of this latter provision is simply to confirm the treatment which in fact has been available all along to ships of USSR registry.

"This agreement is to continue in force for a period of three years; agreement of both countries is required for any extension. It was signed on February 29 by accredited representatives of both Governments and is now in force provisionally. By its terms, it is subject to ratification within 90 days from the date of signature and within this time opportunity will be provided for a debate in Parliament. A resolution of approval will be introduced for this purpose.

"The second document is a letter from the Canadian Government reserving the right to establish values for ordinary and special import duty on any Russian product that might enter Canada in such increased quantities as to cause serious injury to domestic producers. In determining such values, the prices of similar goods imported into Canada from third countries are to be taken into account. This procedure is intended to deal with situations which might be created if Russian goods were to be sold in Canada at very low prices, even if they are not proven to be lower than their domestic values in the USSR.

"The third document is a letter from the Government of the USSR acknowledging the Canadian letter on customs valuation.

"The fourth of the five documents forming the agreement is a letter by which the Government of the USSR guarantees to purchase and take delivery from Canada, during the three years of the agreement, of a total between 1,200,000 and 1,500,000 tons of wheat, in annual lots of between 400 thousand and 500 thousand tons. The exact amounts to be purchased in the second and third years, within these annual amounts, will be determined by the Government of the USSR, taking into account the volume of Soviet goods sold to Canada. The total over the three years, however, will amount to not less than 1,200,000 tons and the amount in any individual year to not less than 400 thousand tons. The Russian purchases of wheat are to be made at the prices and on the terms at which the Canadian Wheat Board is making sales to its major customers at such times as the Soviet purchases take place.

"The fifth document is a letter from the Canadian Government, acknowledging the letter from the Government of the USSR on wheat."

Correction

In our issue of February 18, 1956, the article "Chicago and the Seaway" gave the capacity of the proposed grain elevators at Lake Calumet as 65 million bushels. This should have read 6·5 million bushels—Editor.

Belgium: Business in 1955

Belgian economy in 1955 marked by increased industrial activity, record level of exports, and an improved trade balance. Total trade with Canada rose and the expanding market for Canadian goods should continue.

THEO J. MONTY, *Commercial Counsellor, Brussels.*

THE YEAR 1955 was a good one for Belgium. Business in general was both active and prosperous; industrial production, the basis of prosperity and economic expansion, increased. Prices, however, both retail and wholesale, showed a tendency to rise especially during the latter part of the year, in spite of the trend towards stabilization in world prices of raw materials. The tendency towards expansion has been common to all sectors—production, wages and salaries, trade (domestic and foreign) and the securities market.

Although the year went well financially, no reduction in government expenditures is expected. A surplus of 8 billion francs ($160 million) with the European Payments Union accumulated in 1955 as against a deficit of 789 million francs ($16 million) in 1954. Comparatively, Belgium's balances with the Union were as follows:

	1954	*1955*
	(in million francs)	
First quarter	— 91	+2,723
Second quarter	—1,822	+ 883
Third quarter	— 344	+1,896
Fourth quarter	+1,477	+1,937 (two months)

The preparations for the World's Fair in 1958 are already helping to create added activity, especially in the Brussels area, where plans for road improvement, hotel accommodation and buildings of various sorts are gradually taking shape.

Industrial Activity Up

The high level of industrial activity in Belgium in 1955 —one of the best years in the country's history— greatly eased two problems which have been weighing on the economy for some time. The first was the problem of unemployment (reduced by 30 per cent) and the second the problem of surplus coal stocks (reduced by 86 per cent). Industrial activity in the first nine months of 1955 reached a level 9 per cent higher than in the same period of 1954. This created greater demand for labour and brought a drop in the number of unemployed unequalled since the boom period of 1947-48. Increased industrial demand for energy resulted in coal consumption at such a rate that surpluses disappeared and a shortage is now feared.

Industrial production in 1955 approached an index number of 107 (1953=100) which represented an increase of 4·8 per cent over 1954. Many sections of industry were working at 100 per cent of capacity during the last months of the year, which pushed production almost to a record level.

The steel industry was the star performer. Fifty-two blast furnaces were in operation in December and a record average of 530 thousand tons was produced during the month. A monthly average for the year of 490 thousand tons compared favourably with an average of 412 thousand tons in 1954 and 379 thousand in 1953.

Production of electricity recorded levels 6 per cent higher than in the previous year; the oil refineries achieved an increase of more than 20 per cent.

The building industry continued to boom, with favourable effects on trade in general. There is a saying in Belgium to the effect that "when the building industry prospers, everything prospers". This indicates that this industry is not only a large employer of labour but also a big consumer of material.

Textiles and Chemicals

The chemical industry was not quite as active as in 1954 but the paper industry profited from an increased demand for newsprint, as well as wrapping papers, cartons and other paper products.

The textile industry did not share in the general activity, although its position did improve slightly during the last quarter. It has been experiencing difficulties for some time and this situation has created anxiety because it employs about 200 thousand workers. One of the principal reasons for this situation is that Asiatic markets are practically closed to Belgian textiles, especially cotton goods. At the end of the year the Government decided to take measures to aid this industry, with the understanding that this aid is temporary and that the textile manufacturers must

prove that they are making every effort to improve their position.

The Trade Pattern

Exports of all commodities reached a record in 1955 with iron, steel, and metal manufactures in the lead. The monthly average value of all exports for the first eleven months was 11,298 million francs compared with a monthly average of 9,524 million francs in 1954 and 9,335 million francs in 1953.

Imports did not increase to the same degree. As a result, the trade balance improved. A deficit of 4 billion francs in the trade balance for the first ten months of the year was an improvement over the 12 billion franc deficit in 1954.

Total trade between Canada and Belgium during the first ten months of 1955 amounted to nearly $66·0 million, an increase of roughly $4·7 million over the corresponding period in 1954. This increase is largely the result of higher Belgian imports of Canadian commodities; Belgian exports to Canada increased only slightly.

The most important import from Canada was wheat, though other cereal grains contributed significantly to the total figure. Raw materials for industry, such as aluminum, asbestos, synthetic rubber and minerals, were also of considerable interest.

On the Belgian side, sales to Canada of carpets, tin, metal beams, diamonds, and sheet glass figured largely in the total.

A continuing active and prosperous Belgian economy should be reflected in an expanding market for Canadian commodities, particularly for new and different types of goods.

South Africa: *market for leather?*

Growth of domestic footwear industry, stimulated by war and by import control, has cut down market for Canadian imports. But Canadian producers of high-quality leather should find increasing opportunity in the Union.

A. WORDEN EVANS, *Trade Commissioner, Cape Town.*

THE FOOTWEAR INDUSTRY in South Africa has expanded rapidly in the last fifteen years because of two developments. One was the need for footwear for the armed forces during the last war; the other was the control on imports which protected the domestic industry. Statistics show the result. In 1939, the Union produced only 5·5 million pairs and in 1947, only 9·7 million pairs. Today annual output stands at 20·5 million pairs. In 1934, only 6,100 workers were engaged in making footwear; in 1955, 17,000 were employed in this industry.

Market Growing Steadily

The market for footwear in the Union has also moved steadily upward. One interesting factor has been the greater demand for shoes among the non-white population. By 1952, purchases by whites had risen 31 per cent over 1939, but sales to non-whites had jumped by 104 per cent. Contrary to expectations, the non-whites are prepared to buy the better grades of shoes and this is particularly true of the urban native. The footwear industry can therefore look forward to a growing domestic market as the non-white is drawn into industry in increasing numbers and his purchasing power rises.

This larger market will be an important factor when import control is removed and the industry again faces foreign competition. Before control, the Union imported a substantial quantity of footwear—over £700 thousand in 1947. This figure had fallen to £124 thousand by 1950 but reached £347 thousand by 1954, as control was relaxed.

The manufacturers are confident that they can meet growing overseas competition, both in price and quality. The small volume of imports at present has posed no problems and their quality is said to compare favourably with prewar imports. Prices of foreign-made footwear run about 15 per cent higher than prices of the domestic product. The industry's ability to meet

competition is illustrated by the inroads it is making in the export market. Over £2 million worth of shoes were sold in neighbouring territories in 1954. Altogether, it seems unlikely that the imported product will ever again capture a major portion of the South African market.

Canadian Producers Affected

The rise of this domestic industry has naturally affected Canadian producers unfavourably. Just after the war, Canadian boots, shoes and slippers found a ready market in the Union. With the coming of import control this market waned, as the table shows:

CANADIAN BOOTS, SHOES AND SLIPPERS

Year	*Pairs sold to South Africa*
1939	4,931
1947	11,852
1948	26,887
1950	.....
1951	168
1952	528
1953	1,151
1954	2,730
1955 (10 months)	1,815

(DBS figures.)

Demand for Leather Expands

As the sales of imported footwear fell off and the domestic industry grew, however, the market for leather expanded. It is here that Canadian exporters might find greater opportunity. About two-thirds of the materials used in making footwear are obtained locally; the remainder must be imported. The output of South African tanneries has reached about £6 million in value, but only 40 per cent of the hides and skins are suitable for high-grade leather. This percentage could be increased with greater care by the producer and an educational campaign to that effect is being conducted. The chief factors responsible for the poor quality skins and hides are the skinning, drying and curing, and marks caused by ticks and brandings.

According to South African statistics, Canada accounted for only about £210 thousand worth of the £3·3 million worth of leather imported in 1954. DBS statistics show the following exports to South Africa:

LEATHER EXPORTS TO SOUTH AFRICA

(in square feet)

Year	*Patent Leather*	*Upper Leather, Calf*	*Upper Leather n.o.p.*
1950	50,734	320,869	268,062
1951	60,351	91,270	494,957
1952	84,701	31,874	423,317
1953	297,257	53,574	1,057,303
1954	233,425	17,663	1,358,136
1955	292,697	2,129	1,578,997

Principal suppliers of leather to this area are the United States, the United Kingdom, France, and Germany.●

Shellfish from Pakistan

KARACHI could be as well known for shellfish as some of the Mediterranean ports—shrimp, crab, langouste, clams and oysters are all found in the Arabian Sea, up and down the coast for 300 miles west and 100 miles southeast of the city. The supply of langouste, clams and oysters is limited and will probably never supply much more than the local market, but a small but flourishing export trade in shrimps and crabs could probably be developed. In the past, almost all production of these two crustaceans has been sold fresh to local consumers, partly because of the lack of transport and preserving facilities. But now a beginning has been made in the export business.

About two years ago, International Fisheries (Pakistan) was established. The firm has built a modern freezing plant in Karachi and made its first shipment of frozen shrimp (called prawns locally) to the United States about a year ago. This shipment was well received and the firm hopes to sell about 300 tons of frozen shrimp in the United States during the current season. It is also developing markets in Europe and Australia and would like to diversify its sales as much as possible. Three new compressors have recently been installed to raise the plant's capacity to seven tons a day. International Fisheries is prepared to put up its shrimp in whatever form the buyer wants; for the U.S. market it is freezing shrimp raw with the heads off, and packing them in five-pound packages for retail sale and 50-pound packages for hotels. For the French market, whole shrimp are coloured before freezing and packed in one-pound cellophane packages. More recently, the Indus Canning Company has been set up to can shrimp for export. It has just completed a new factory in the Sind Trading Estate with a capacity of about one ton a day. The shrimp are sized by hand and packed in five-ounce tins. Currently, production is limited by the shortage of the raw product and export has been largely experimental.

So far, no attempt has been made to sell crabmeat abroad. Both Indus Canning and International Fisheries (Pakistan) are interested in preserving crab, but they are concentrating on shrimp until they are better established. However, the long-term prospects for preservation and export of crabmeat look hopeful.

—D. W. BARTLETT,
Acting Commercial Secretary, Karachi.

general notes

Cuba

REGISTERED VEHICLES—The total number of registered vehicles in Cuba increased by approximately 9 per cent in 1955 to a total of 185,867 on December 31, compared with 166,644 on the same date in 1954. This figure is made up of 101,665 private passenger cars, 24,148 taxis, 4,399 omnibuses, 42,410 trucks and 13,245 others—Havana, Feb. 20.

Denmark

ADVERTISING EGGS—The Netherlands and Denmark have taken the initiative in organizing a collective advertising campaign for eggs in the West German market. The egg export organizations of the two countries have set up a fund equal to 800 thousand D.kr. to which the Netherlands and Denmark are the main contributors, at 400 thousand D.kr. and 250 thousand D.kr., respectively. Poland, Yugoslavia, Norway and Sweden will also share in the campaign by putting up a total of 150 thousand D.kr. The cost is divided among the countries according to their respective shares in the West German market. Advertisements, films, placards and folders will be used in the campaign. Four hundred thousand copies of a cookbook for egg dishes have already been distributed.

In 1955, Danish exports of eggs to West Germany were double those in 1954, and West Germany is now the largest export market for Danish eggs, followed by the United Kingdom—Copenhagen, Feb. 23.

Federation of Rhodesia and Nyasaland

ATOMIC ENERGY OFFICE—The British Atomic Energy Authority has opened an office in Salisbury and three of its scientists (two geologists and an electronics expert) have come out from Britain to staff it. At first the office will be interested only in uranium and the British experts will give advice on prospecting and the use of all kinds of prospecting and testing equipment (including instruments used in aerial prospecting). They will assay samples from individual prospectors or large companies.

Radioactive minerals have not so far been produced within the Federation, but in Mindola a significant discovery made in 1952 produced uranium-bearing ore shale in sufficient tonnage to merit erection of a small treatment plant now being built. In each of the large copper mines of Northern Rhodesia's Copperbelt, uranium mineralization has been found, though not necessarily in workable amounts. Extensive prospecting is at present being undertaken mainly by British mining houses. The Goldbelt of Southern Rhodesia, unlike the gold deposits of the Witwatersrand in the Union of South Africa, has not yet been found a promising source of uranium—Salisbury, Feb. 19.

INDUSTRIAL OFFICIAL VISITS BRITAIN—An official of the Federation of Rhodesian Industries has gone to Britain for three months in an effort to attract British capital to Rhodesia and Nyasaland. During his visit he will address both government and industrial bodies in many areas on the opportunities for a wide variety of new secondary industries. Currently, the economy of the Federation of Rhodesia and Nyasaland depends chiefly on base metal mining and tobacco raising and it is felt that it would be wise to diversify it—Salisbury, Feb. 19.

France

ELECTRIC POWER—Preliminary information puts output of electric power in France during 1955 at 49 billion kilowatt hours, 9·1 per cent above the previous year. About half, 25·6 kwh., was produced by waterpower. An increase of from 7 to 9 per cent is foreseen for 1956. New construction during 1955 provided 116 million kwh. of hydro power and 357 thousand kwh. of thermal power. France was a net exporter of electric power during the year; exports during the first nine months totalled 560 million kwh. compared with imports of 372 million kwh.—Paris, Feb. 28.

Iran

FOREIGN CAPITAL INVESTMENTS—The Iranian Government has passed a law permitting the withdrawal on an annual basis of profits derived from foreign capital investments in that country. The law also provides for the withdrawal of the capital itself under certain predetermined conditions. Additional information about this law may be obtained from the Department of Trade and Commerce.

South Africa

BUILDING BOOM—Building permits granted in the nine principal centres of the Union amounted to £74·7 million last year, compared with £74·6 million in 1954 and £61·6 million in 1953. The major part of the total, £45 million, was for residential construction; only £7·3 million was spent for factory construction. Commercial structures, alterations and extensions accounted for the remainder—Cape Town, Feb. 23.

RESEARCH FACILITIES—The Southern Hemisphere's first cyclotron, located near Pretoria, recently went into operation. Its facilities will be invaluable in training scientists in nuclear physics—Cape Town, Feb. 22.

NATIONAL INCOME—The gross national income in 1954-1955 exceeded £1,700 million with a continuing increase foreseen, according to the Minister of Economic Affairs. Part of the 88 per cent increase in the net income of the Union in the 14 years to 1953 was the result of population growth, but per capita income advanced by 45 per cent during the period. Mining, which at the beginning of the period was the mainstay of the country's economy, increased its contribution to the national income by 10 per cent, agriculture by 141 per cent, manufacturing industries by 158 per cent and commerce by 80 per cent—Johannesburg, Feb. 19.

Taiwan

ECONOMIC DEVELOPMENT PLAN—The Ministry of Finance, Republic of China, at Taipei, has announced the drafting of a second four-year economic development plan for Taiwan, succeeding the first four-year plan which is scheduled for completion at the end of 1956. The aims of both plans are the same: to develop greater self-sufficiency in the economy of Taiwan and reduce gradually dependence on United States aid—Hong Kong, Feb. 21.

United Kingdom

IMPORTS—United Kingdom trade figures for January show that imports, at £346·3 million, were the second highest ever and compared with £335·8 million in December and £332·3 million in January 1955. Total exports, including re-exports, were worth £272·2 million, an increase of £7·9 million over December. The adverse trade balance was £74·1 million, £2·6 million higher than in the previous month. Imports in January were 7 per cent above the monthly average for 1955. Shipments to North America were valued at £26·1 million, of which £10·1 million represented exports to Canada—London, March 6.

United States

ADVERTISING—During 1955 newspaper advertising in the U.S. increased by 10·2 per cent over the previous year. Each classification shared in the increase—automotive (33·6 per cent), classified (16·9 per cent), financial (11·7 per cent), total display (8·1 per cent), retail, including department stores (6·3 per cent), department stores (5·4 per cent) and general (5·1 per cent)—New York, March 6.

COLD DAMAGES FLORIDA CROPS—The unusually cold weather in Florida during the first part of January seriously damaged crops, but total yields are expected to be about as good as last year because a larger acreage was planted. Early estimates placed damage to Florida's $150 million winter vegetable crop at $25 million, but a later one indicates the damage will not be so severe—New Orleans, Feb. 27.

AUTOMOBILES—Chevrolet has recently announced plans for a gigantic new assembly plant in northeastern Ohio as part of the billion dollar expansion program being undertaken by General Motors Corporation. The plant, scheduled for completion in late 1957, will have 2·5 million square feet of floor space and will be able to turn out 75 cars and 30 trucks an hour. It will employ 8,000 people. Chevrolet officials indicate that this will be their biggest assembly plant in employment, production, capacity, and area—Detroit, March 5.

West Germany

COAL GASIFICATION PLANT—The first big plant for coke-free gas production from pit coal has been put into operation at Dorsten. The long-flame gas coal, of which approximately 335 thousand tons a year will be used, is being gasified under high pressure with the assistance of oxygen. Daily output will be approximately 1·4 million cubic metres with a heating power of 3,900 calories. The gas will be mixed with natural gas to bring it up to the 4,300 calories standard of the type normally used—Bonn, Feb. 24.

POLYESTER PRODUCTION—A German-American company has recently opened a plant at Mannheim to produce polyester. It is reported that the basic capital of the company is DM630 thousand, and the majority of shares are held by Germans. The American side will provide the know-how and take an active part in the actual erection of the new plant. Polyester products are said to be especially suitable for construction material, and for use in ships, planes and motorcars. They have already become important in the United States—Bonn, Feb. 24.

The Philippines

Changes Trade Regulations

Long-awaited revision of Bell Trade Act, whittling down U.S. preferences, has not immediately improved Canadian competitive position in Philippines because of new duties imposed. But sales to duty-free outlets offer some opportunities.

H. E. LEMIEUX,
Vice-Consul and Trade Commissioner, Manila.

SWEEPING CHANGES in Philippine customs tariffs, import and exchange regulations, of direct interest to many Canadian exporters, became effective on January 1, 1956.

The most important economic development in the Philippines in postwar years was the agreement concluded during 1955 with the United States, effective January 1, 1956, for the revision of the Philippine-United States Trade Agreement of 1946, commonly known as the Bell Trade Act. The salient feature of this revision is a change in the relationship of the Philippine customs tariff vis-à-vis the United States.

The major change in the Philippine customs tariff is that, whereas United States products were admitted into the Philippines absolutely free of duty up until December 31, 1955, they are now subject to 25 per cent of the customs duties levied on products imported from all other countries.

Protective Duties Imposed

A presidential executive order dated December 31, 1955, and effective January 1, 1956, imposed stringent protective duties on a number of commodities and a 30 per cent surcharge on the rates of duty applicable to all other imported goods. Traders who had already been hardening prices in anticipation of the known changes arising from the revision of the Bell Trade Act of 1946 were taken unawares by the presidential order. The measure has induced additional immediate price increases despite requests of the authorities to hold the line. Philippine ports were inundated with goods arriving in December in the hope of avoiding the new duties, the enforcement of which is still taxing customs clearance operations to the limit.

Surtax Hurts Canadian Exporters

Canadian exporters who expected a substantial improvement of their competitive position vis-à-vis United States exporters in this market at the beginning of the year are in for some disappointment. This is because of the imposition of the 30 per cent surtax (it has been officially called an "incremental" duty) which has offset almost completely the prospective narrowing down of the preferential margin of their American competitors arising from the revision of the Bell Act.

The specific example of wheat flour will make this clear. Up until December 31, 1955, wheat flour imports into the Philippines from Canada and all other countries—except from the United States, which were duty-free—were subject to the Philippine customs tariff rate of duty of 47 cents per one hundred kilos, giving the United States a preference margin of 47 cents. Since January 1, 1956, the Philippines customs tariff on flour has been modified as follows:

Rate of Duty	*General Rate*[1]	*Preferential Rate*[2]
Per one hundred kilos	US47¢	US11·75¢
Plus surtax of 30 per cent	14·1¢	3·525¢
TOTAL DUTY	61·1¢	15·275¢
Customs duty differential in favour of U.S. flour imports	45·825¢	
Former differential	47·00¢	

Reduction in preference margin 1·175 cents per 100 kilos.

[1] Applies to imports from Canada and all countries except the United States.

[2] Applies to imports from the United States only.

This improvement of 1·175 cents per 100 kilos is so small as to be negligible for commercial purposes—only slightly more than ¼ cent per 50-lb. bag. (See also *Foreign Trade* of Feb. 4, p. 27.)

As described later, the preference enjoyed by United States exporters is to be whittled down gradually over a period of years, until it disappears entirely.

Incidentally, the above computation ignores the 17 per cent special import tax levied on the c.i.f. value of the merchandise and dealt with later in this report.

New Protective Duties

Certain items specifically listed in the recent presidential executive order which imposes highly protective rates of customs duties, applicable as of January 1, 1956, are of direct interest to Canadian exporters. In certain cases, the new rates of duties are likely to reduce further the possibilities of Canadian firms doing business in the Philippines. For example, asbestos roofing sheets, formerly 15 per cent, are now subject to a duty of 85 per cent *ad valorem* when imported into the Philippines from all countries except the United States. The former duty for enamel paints, air conditioners, pianos and refrigerators was 25 per cent *ad valorem* whereas the new rates are 100 per cent, 70 per cent, 250 per cent, and 130 per cent *ad valorem,* respectively.

It should be noted that United States articles which formerly entered free of duty are now subject to 25 per cent of the current customs duties and the full amount of the 17 per cent special import tax. Moreover, the modification of tariff rates provided for in the presidential executive order is officially considered a temporary emergency measure, pending the thorough revision of the Philippine tariff likely to be effected during the current session of the Congress.

While the incidence of preference in Philippine customs duties towards United States articles may appear discouraging to Canadian exporters, it should be remembered that there are still opportunities, under certain conditions, for duty-free imports of machinery, supplies and materials for tax-exempt new industries, and in some other directions (such as NAMARCO purchases) touched upon later.

How long will Philippine preference be extended to United States products? The answer to the above question is contained in the revised Philippine-United States Trade Agreement now in force. The agreement stipulates that United States articles imported into the Philippines on or after January 1, 1956, shall pay gradually increasing rates of customs duties in accordance with the following schedule, all dates inclusive:

Period	*% of Normal Duty applicable to U.S. goods*
January 1, 1956-December 31, 1958	25
January 1, 1959-December 31, 1961	50
January 1, 1962-December 31, 1964	75
January 1, 1965-December 31, 1973	90
January 1, 1974 and thereafter	100

In anticipation of the revision of the Philippines-United States Trade Agreement and the expiry on December 31, 1955, of the Philippine legislation authorizing the levy of a 17 per cent excise tax on foreign exchange transactions, the Philippine Congress approved legislation during the last congressional session providing for a 17 per cent special import tax, applicable from January 1, 1956.

This new special tax applies to all imports, regardless of country of origin, except for a specific list of decontrolled items which includes principally canned salmon, canned milk, malt, essential machinery, newsprint, certain drugs and chemicals, medical and hospital supplies. The complete list may be consulted at the Department of Trade and Commerce in Ottawa. The special import tax is levied on the c.i.f. value of the goods imported. It will decrease gradually under certain conditions by 1·7 per cent a year for ten years until January 1, 1966, when it will disappear.

Imports for NAMARCO

Imports for the account of the National Marketing Corporation (NAMARCO), the state-trading entity, are exempt from all customs duties and taxes such as those mentioned above. Recently the Philippine Government allocated the sum of $12 million to NAMARCO for import purposes for the year 1956. Goods imported by NAMARCO will be used to assist Filipinos to establish themselves in retail trade and also, when and where necessary, to stabilize prices. Goods imported by United States military establishments in the Philippine Islands continue to be exempt from duties and taxes and they are also free from all Philippine import and exchange regulations currently in force. Approach to these entities should be made through Philippine importers, who are familiar with the standard procedure.

The Outlook

Canada's principal competitor in the Philippine market is the United States. As a result of the revision of the Philippine-United States Trade Agreement, United States products have lost little of their customs tariff advantage in this country and they may be expected to retain most of it for several years to come. For products specifically mentioned in the presidential executive order, the United States competitive position in the Philippines compared with other foreign suppliers is stronger than before.

These conditions point clearly to the need for Canadian exporters to quote their most competitive prices possible if they are to continue to maintain their stake in this fair-sized market. They should also investigate the openings for goods designed for duty-free outlets and prepare well in advance for the years ahead, when United States preferences in the Philippine market will have declined. ●

trade and tariff regulations

Belgium-Luxembourg

IMPORT LICENSING—Two changes in the import licensing regulations of Belgium-Luxembourg came into force on January 15 and February 13, respectively. The first change subjected to import licensing requirements a list of textile products. The second provision freed again from import licensing most, but not all, of these textiles. It also removed from import licensing requirements some other products which had been subject to licences before January 15.

These changes have no practical effect on imports into Belgium and Luxembourg from Canada, since all the products affected are admitted free from import restrictions. They do, however, make a change in the documents required for imports into these countries. The net effect of the two measures is as follows.

The following products are now admitted into Belgium and Luxembourg without an import licence, on the basis of "declaration licences" obtainable by Belgian importers from their banks:

Leather of cows, horses and other large animals (excluding calfskins), other than simply tanned and uncurried; certain illustrations on paper or paperboard such as pictures, transfers, etc.; other printed matter; men's underwear of silk, artificial silk or artificial textile fibres; certain porcelain products for industrial uses, etc.; gold powder, scrap, waste and ash; silver and base metal coin no longer in circulation; locks and padlocks other than steel locks for motor car bodies; non-electric stoves, ranges and cookers of iron or steel; copper locks, padlocks and fittings for furniture, doors, etc.; spoons and forks entirely of iron or steel; taps, cocks and valves (other than valves for tires), of iron, steel or copper; aircraft; aircraft parts other than engines.

On the other hand, import licences are now required for the following products, but it is understood that licences will be granted freely without any restrictions:

Yarn of cotton, wool, horsehair or of other animal hairs, put up for retail sale; various fabrics of pure or mixed natural silk, of artificial silk mixed with other textiles, of wool and of cotton; ribbons, velvets and plushes of pure artificial silk; lace of cotton, of artificial silk or of artificial textile fibres; cotton embroideries; felts (not woven) not containing silk, artificial silk or artificial textile fibres; caps, bonnets and berets; artificial flowers, foliage and fruits—Brussels, Feb. 21.

France

IMPORTS OF CANNED AND FROZEN SALMON—The French Government has established a quota of $280 thousand (100 million francs) for imports of canned and frozen salmon from Canada and the United States. Three categories of importers are eligible to participate, including importers of salmon with previous performance in 1953 and 1954. The types of canned salmon sought by French importers are Pinks and Keeta (in half-pound tins), fancy or standard.

The closing date for applications was January 27 and by this time eligible importers will have filled the quota through standing arrangements with salmon suppliers. However, another quota may be announced later in the year and exporters are advised to establish contact with the French import trade either through the Agriculture and Fisheries Branch of the Department of Trade and Commerce in Ottawa, or through the Commercial Counsellor, Canadian Embassy, 3 rue Scribe, Paris 9.

As in 1954 and 1955, French salmon importers are required to pay a "péréquation" or exchange premium; the previous rate of 52·34 per cent on the f.o.b. value has been reduced to 30 per cent on the c.i.f. value—Paris, Feb. 20.

Indonesia

EXCHANGE PERMIT NUMBERS ON PACKAGES—It was reported on page 27 of the February 4, 1956, issue of *Foreign Trade* that all packages containing goods to be imported into Indonesia must be marked to show the number of the Indonesian exchange permit relating to the shipment. A further Indonesian announcement, made on February 15, stipulates that this regulation does not for the time being apply to goods imported in bulk, such as wheat flour, cement, fertilizer, etc., provided that the number of the exchange permit appears on the bill of lading and other documents, or as a mark on the relative goods, or both.

In cases where the exchange permit is amended and given a new number, it will not be necessary to mark the packages with the new number. It will be sufficient, in such instances, that the packages bear the number of the original exchange permit—Djakarta, Feb. 22.

United States

TARIFF INVESTIGATION INTO GROUNDFISH FILLETS RENEWED—The United States Tariff Commission has announced a public hearing, to begin on June 5, 1956, in connection with a new investigation to determine whether groundfish fillets, fresh or frozen, are, as a result of the tariff concession granted under the GATT, being imported into the United States in such increased quantities, either actual or relative, as to cause serious injury to the domestic industry producing like or directly competitive products.

This is the third escape-clause investigation of such products.

Trinidad

DOLLARS AVAILABLE FOR MOTOR VEHICLES IN 1956—The Trinidad authorities have advised importers that consideration will be given to the granting of licences for imports of motor vehicles in 1956. Applicants must establish that they travel long journeys on rugged terrain on business essential to the Colony's economy.

However, as it continues to be necessary to restrict dollar expenditure and a wide choice of cars, trucks and other vehicles of United Kingdom origin is available, applications to purchase North American motor vehicles will be considered only if the applicant can produce evidence of special need and can satisfy the Commissioner of Industry and Commerce that no reasonable substitute is available from non-dollar sources.

All licences granted will be subject to the condition that no resale will be allowed except on the written permission of the Commissioner of Industry and Commerce.

Tours of Territory

A. A. CARON, Consul and Trade Commissioner in New Orleans, plans a tour of southern Florida, including St. Petersburg, Tampa, Miami, Fort Lauderdale and several other centres, from March 24-31.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, will visit Surabaja in East Java, April 9, 10 and 11, and Makassar in the Celebes on April 13 and 14.

C. R. GALLOW, Consul and Trade Commissioner in New York, will tour Bermuda from March 12 to 23.

J. R. MIDWINTER, Acting Trade Commissioner in Guatemala City, Guatemala, will visit San Salvador in Salvador from March 22 to 28.

H. E. CAMPBELL, Canadian Trade Commissioner in Kingston, Jamaica, will visit Nassau, Bahamas, from March 22-27.

K. F. OSMOND, Commercial Secretary (Fisheries) in Rome, will visit the salt fish trade and other potential importers and industries in Genoa and Leghorn during the week of March 19th.

G. A. BROWNE, Commercial Secretary in Havana, will tour Cuba during the latter part of March. During his tour, Mr. Browne will visit the following business centres: Santiago de Cuba, Bayamo, Nicaro, Holguin, Gibara, Camaguey, Ciego de Avila, Santa Clara, Caibarien, Cienfuegos, Sagua la Grande, Matanzas.

L. S. GLASS, Commercial Counsellor in Wellington, New Zealand, will make a five-day business visit to Auckland, from May 30 to June 4.

D. B. LAUGHTON, Canadian Trade Commissioner in Port-of-Spain, Trinidad, plans a three-day trip to Grenada, capital of the Windward Islands, beginning on March 26.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible.

Trade Commissioner on Tour

J. C. DEPOCAS, Canadian Trade Commissioner in Guatemala City, Guatemala, began his Canadian tour on January 30. His itinerary is:

Halifax—March 19-20
Saint John—March 21-22
Montreal—March 26-April 13

Businessmen in the various centres may get in touch with Mr. Depocas through the Board of Trade in Halifax, Montreal and Saint John.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	City Mutual Life Building 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. J. Van Tighem, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25. Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	H. W Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
Haiti	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	C. M. Forsyth-Smith Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	D. M. Holton, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Commercial Secretary W. R. Hickman, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave.. N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., New York City 20	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16	*Mail:* (City Address) *Cable:* Canadian *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Street, Chicago	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, Detroit 26	*Mail:* (City Address) *Cable:* Canadian *Tel.:* WOodward 5-2811
*United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Cable:* Canadian *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart New Orleans 12	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Cable:* Domcan *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way Seattle 1, Washington	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada, Piso 7° Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor F. B. Clark, Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 3306 *Cable:* Canadian *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·00063.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 2	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05552	18·01	(3)
		Free	·02469	40·50	
Australia	Pound		2·2445	·4455	
Austria	Schilling		·03844	26·01	
Belgium-Luxembourg	Franc		·02001	49·98	
Belgian Congo	Franc		·02001	49·98	
Bolivia	Boliviano	Official	·00526	190·04	
British West Indies	Dollar		·5845	1·711	(4)
	Pound		2·8056	·3564	(5)
	Dollar	British Honduras	·7014	1·426	
Brazil	Cruzeiro	Effective selling*			
		Category I	·00978	102·25	tax 10% (2)
		Category V	·00299	334·55	*Feb. 7
		Official buying	·05444	18·37	(6)
Burma	Kyat		·2099	4·764	
Ceylon	Rupee		·2104	4·753	
Chile	Peso	Official	·00496	201·6	(1)
		Principal	·00333	300·3	(7)
Colombia	Peso	Basic	·3998	2·501	(8)
		Free*	·2461	4·063	*Nov. 1
Costa Rica	Colon	Official	·1780	5·618	
		Controlled free	·1497	6·682	
Cuba	Peso		·9994	1·0006	tax 2% (2)
Czechoslovakia	Koruna		·1388	7·205	
Denmark	Krone		·1447	6·911	
Dominican Republic	Peso		·9994	1·0006	
Ecuador	Sucre	Official	·06663	15·01	
		Free	·05736	17·43	
Egypt	Pound	Official	2·8698	·3485	
Fiji	Pound		2·5276	·3956	
Finland	Markka		·00435	229·9	
France	Franc		·00286	349·7	(9)
French Africa	Franc		·00571	175·0	(10)
French Pacific	Franc		·01571	63·65	(11)
Germany	D Mark		·2372	4·216	
Greece	Drachma		·03331	30·02	
Guatemala	Quetzal		·9994	1·0006	
Haiti	Gourde		·1999	5·003	
Honduras	Lempira		·4997	2·001	
Hong Kong	Dollar	Free*	·1678	5·960	*Feb. 24
		Official	·1754	5·701	
Iceland	Krona	Official	·06137	16·29	
		Special buying	·04838	20·67	
		Special selling	·03807	26·27	(12)
India	Rupee		·2104	4·753	
Indonesia	Rupiah	Basic	·08800	11·36	(13)
Iran	Rial	Certificate	·01319	75·80	
Iraq	Dinar		2·7983	·3574	
Ireland	Pound		2·8056	·3564	
Israel	Pound		·5552	1·801	
Italy	Lira		·00160	621·1	
Japan	Yen		·00278	360·1	
Lebanon	Pound	Free	·3096	3·230	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 2	Units per Canadian dollar	Notes (See below)
Mexico	Peso		·07995	12·51	
Netherlands	Guilder		·2610	3·831	
Netherlands Antilles	Guilder		·5259	1·902	
New Zealand	Pound		2·8056	·3564	
Nicaragua	Cordoba	Effective buying	·1514	6·605	
		Official selling	·1418	7·054	
Norway	Krone		·1399	7·148	
Pakistan	Rupee		·2104	4·753	
Panama	Balboa		·9994	1·0006	
Paraguay	Guarani	Official	·01666	60·04	(14)
Peru	Sol	Certificate	·05260	19·01	
Philippines	Peso		·4997	2·001	
Portugal	Escudo		·03488	28·67	(15)
El Salvador	Colon		·3998	2·501	
Singapore & Malaya	Straits dollar		·3273	3·055	
South Africa (Union of)	Pound		2·8056	·3564	
Spain & Dependencies	Peseta	Basic buying	·04563	21·92	
		Basic commercial selling	·06083	16·44	(1)
		Free	·02566	38·97	
Sweden	Krona		·1932	5·176	
Switzerland	Franc		·2332	4·288	
Syria	Pound	Free*	·2815	3·553	*Dec. 30
Thailand	Baht	Free	·04877	20·50	(1)
Turkey	Lira		·3569	2·802	
United Kingdom	Pound		2·8056	·3564	
United States	Dollar		·9994	1·0006	
Uruguay	Peso	Official	·6579	1·520	tax 6% (2)
		Principal buying	·6645	1·505	(1)
		Principal selling	·4760	2·101	
Venezuela	Bolivar	Official	·2983	3·352	
Yugoslavia	Dinar		·00333	300·3	(1)

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Argentina: Additional rates result from exchange retentions on export proceeds and surcharges on imports.
4. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
5. Bahamas, Bermuda, Jamaica.
6. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official rate of 18·82 to U.S. dollar plus price of certificate. Tax of 10 per cent applies to official rate (tax is 1·88 cruzeiros per U.S. dollar). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18·70 to 31·70 cruzeiros per U.S. dollar depending on product.
7. Chile: Official rate applies only to most essential imports.
8. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
9. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
10. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
11. New Caledonia, New Hebrides, Oceania.
12. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
13. Indonesia: Basic rate applies to all exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
14. Effective March 1st, Paraguay has established an official rate of 60 Guaranis to the U.S. dollar, compared with 21 Guaranis before March 1st. The new rate applies to all exports, all government transactions, essential imports, and to certain receipts and transfers. For non-essential imports there will be an additional surcharge of 25 Guaranis per U.S. dollar.
15. Portugal: Approximately same rate for Portuguese Territories in Africa.

Assistant Trade Commissioners Posted

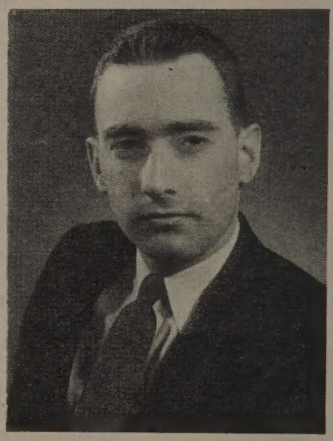
Before leaving for their posts, six new Assistant Trade Commissioners will tour industry throughout Canada from March 19 to May 25.

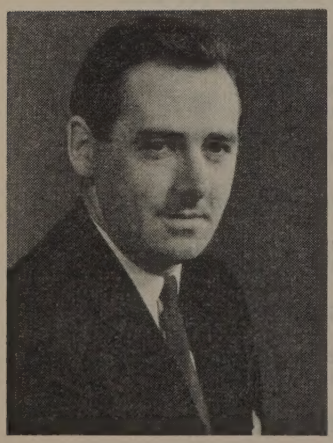
WILLIAM JOHN JENKINS was born in Vancouver, British Columbia, and graduated from Carleton College with a B.Com. degree in 1953. Mr. Jenkins has been posted to Manila, The Philippines, as Vice-Consul and Assistant Trade Commissioner.

JOSEPH RAYMOND ROY was born in Petit Rocher, New Brunswick. He received his B.Sc. degree from the University of New Brunswick in 1952 and B.A. degree from Oxford University in 1955. Mr. Roy has been posted to Brussels, as Assistant Commercial Secretary.

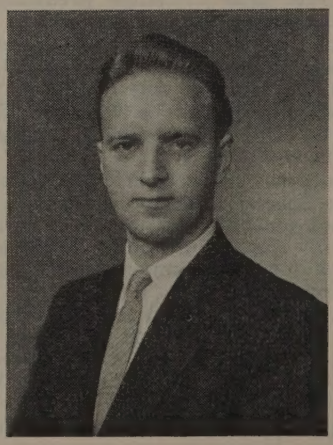
WILLIAM GORDON BRETT was born in London, Ontario, and graduated from the University of Western Ontario with a B.A. (Hon.) degree in 1950. Mr. Brett has been posted to Caracas, Venezuela, as Assistant Commercial Secretary.

WESTON GEORGE HUXTABLE was born in Ottawa, Ontario, and graduated from Queen's University with a B.Com. degree in 1953. Mr. Huxtable has been posted to Singapore as Assistant Trade Commissioner.





JOHN MACNAUGHT was born in Carstairs, Scotland, and graduated from McGill University (Macdonald College) in 1955 with a B.Sc. (Agri.) degree. Mr. MacNaught has been posted to Sydney, Australia, as Assistant Commercial Secretary, but will go first to Wellington, New Zealand, to look after the office for several months during the Commercial Counsellor's absence on leave.



LOUIS DAVID BURKE was born in Saskatoon, Saskatchewan, and graduated from the University of British Columbia with a B.A. degree in 1952. Before going to his first post as Assistant Commercial Secretary in Lima, Peru, Mr. Burke will spend several months at the Santiago, Chile, office during the Commercial Secretary's absence.

BUSINESS CONDITIONS in the COMMONWEALTH

Australia
British East Africa
British Honduras
British West Africa
British West Indies
Ceylon
Rhodesia & Nyasaland
Hong Kong
India
Malaya
New Zealand
Northern Ireland
Pakistan
South Africa
United Kingdom

Foreign Trade - March 31